

# **RHODE ISLAND LOTTERY**



## **RULES AND REGULATIONS**



*Your Rhode Island Lottery*

**1425 PONTIAC AVENUE**

**CRANSTON, RI 02920**

**401-463-6500**

**[www.rilot.com](http://www.rilot.com)**

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## **CHAPTER ONE**

### **DEFINITIONS**

#### **1.1 DEFINITIONS**

- A. The following words and terms, when used in these Rules and Regulations, have the following meanings, unless the context clearly indicates otherwise.
1. “Act” or “law” means R.I.G.L., Chapter 42-61.
  2. “Director” means the Director of Lotteries as established by the Act.
  3. “Division” means a State Lottery Division established within the Department of Revenue under the provisions of the Act.
  4. “Electronic Fund Transfer” means the transfer of funds from a Retailer’s account to the Division’s account by electronic means.
  5. “Financial Institution” means and includes, but is not limited to, all banks, banking associations, trust companies, and brokerage institutions organized under the authority of this State, the United States, and/or any agencies thereof, including, but not limited to, the Securities and Exchange Commission.
  6. “Person” shall be construed to mean and include an individual, association, partnership, corporation, trust, estate, company, receiver, trustee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a Court or otherwise, and any other combination of individuals. “Person” shall also be construed to mean and include all departments, commissions, agencies, and instrumentalities of the state, including counties, municipalities, agencies, and instrumentalities thereof.
  7. “Retailer” means a person or agent who has been licensed to sell Lottery tickets under the Act.
  8. “Ticket” means any Lottery offering issued or promoted by the Division.

## **CHAPTER TWO**

### **GENERAL PROVISIONS**

#### **2.1 SCOPE**

- A. These Rules and Regulations, as established by the Division, outline the instructions for the operation of the Division, including, but not limited to, other matters pertinent to the administration of the same, such as, frequency of drawings, price of tickets, selection of winners, structure of prizes, licensing of Retailers, payment of prizes, and purchasing procedures.

#### **2.2 RHODE ISLAND LOTTERY**

- A. The Division is located at 1425 Pontiac Avenue, Cranston, Rhode Island.
- B. It shall be the responsibility of the Director of the Division to supervise and administer the operations of the Division. The Division will hold the Director harmless of all acts and decisions carried out within the guidelines of these Regulations and Title 42, Chapter 61 of the General Laws of the State of Rhode Island; and if suit is instituted against the Director for carrying out the provisions of these Rules and Regulations and/or Title 42, Chapter 61, the Division shall pay all legal expenses and judgments against the Director.
- C. The purpose of the Division shall be to fulfill all requirements established by the R.I.G.L. and to conduct the business of the Division in the public interest in an open and responsive manner.

#### **2.3 AUTHORIZED GAMES AND DESCRIPTIONS**

##### **A. Daily Numbers Game**

1. The Daily Numbers Game may utilize a two (2) digit, three (3) digit, four (4) digit, or any combination of these digits, payoff plan. Player can select his/her own numbers or utilize computer-generated "Quick Pick" selection.
2. The wagers for the Daily Numbers Game may range from fifty cents (\$.50) to five dollars (\$5.00) per play.
3. The payoff for the Daily Numbers Game may range, according to the wagers placed and the numbers combination selected, from twenty-five dollars (\$25.00) to twenty-five thousand dollars (\$25,000.00) per play.

4. Tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday thru Saturday.
5. Tickets may be canceled only on the same day of purchase and from the same terminal from which issued, any time prior to the drawing.

**B. Daily Numbers Game – Instant Match Feature**

1. Instant Match option offers players a chance to win up to five hundred dollars (\$500.00) instantly on a Daily Numbers ticket.
2. The Instant Match feature costs an additional one dollar (\$1.00) per wager.
3. With Instant Match, the terminal automatically selects an additional set of numbers, which will appear on the ticket below the numbers selected by the player.
4. If any of the numbers selected by the terminal match any of the numbers selected by the player in any order, an instant cash prize is won.
5. A winning Instant Match ticket can be cashed in immediately, and the terminal will issue an exchange ticket for the Daily Numbers drawing.

**C. Daily Numbers Game – Extended Play**

1. Extended Play tickets can be purchased for seven (7) or thirty (30) consecutive days.
2. Numbers selected would be the same for all Extended Play drawings.
3. Ticket is effective on day of purchase.
4. Tickets may be canceled only on the same day of purchase and from the same terminal from which issued any time prior to the initial drawing.

**D. Wild Money Game**

1. The Wild Money Game is a five (5) out of thirty-five (35) lotto-type game. This game has an “extra” ball feature with a minimum jackpot of twenty thousand dollars (\$20,000.00).
2. Each wager costs one dollar (\$1.00).

3. The jackpot prize is awarded for matching five (5) of the first five (5) numbers drawn. The prize paid for matching four (4) of the first five (5) numbers plus the “extra” ball is one thousand five hundred dollars (\$1,500.00); matching four (4) of the first five (5) and no “extra” ball pays two hundred dollars (\$200.00); matching three (3) of the first five (5) numbers plus the “extra” ball, pays fifty dollars (\$50.00); and matching three (3) of the first five (5) numbers and no “extra” ball, or two (2) of the first five (5) numbers plus the “extra” ball, pays five dollars (\$5.00).
4. The holder of a winning ticket may win only one (1) prize per ticket in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching category.
5. In the case of multiple jackpot winners, the jackpot amount will be divided equally among all winners.
6. Tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday thru Saturday.
7. Tickets may be canceled only on the same day of purchase and from the same terminal from which issued any time prior to the drawing.

E. **Monitor Games**

**Keno**

1. The player chooses from one (1) to ten (10) numbers (spots) from one (1) to eighty (80). Twenty (20) numbers will be drawn from the field of eighty (80). Players can select numbers or utilize computer-generated “Quick Pick” selection.
2. The wagers for a single drawing may be one dollar (\$1.00), two dollars (\$2.00), five dollars (\$5.00), or ten dollars (\$10.00). The player may place a wager for up to fifteen (15) consecutive draws. However, the maximum price for any ticket may not exceed one hundred fifty dollars (\$150.00), except for the Keno “Plus” game, where the maximum price for any ticket may not exceed three hundred dollars (\$300.00), and the Keno “Overtime” game, which when played with Keno “Plus” has a maximum price of four hundred fifty dollars (\$450.00).
3. Keno draws take place every four (4) minutes.

4. Tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday thru Saturday.
5. Keno tickets can only be canceled before the draw on the same day and from the same terminal of purchase. Multiple draw tickets can only be canceled before the ticket's first draw. Exchange tickets cannot be canceled.
6. The payoff for the Keno game shall depend upon the amount wagered and the number of correct spots chosen by the player. This range of payoff may go from one dollar (\$1.00) to one hundred thousand dollars (\$100,000.00), depending on the wager, the number of spots chosen, and the number of spots correctly selected by the player.
7. Retailers are prohibited from playing monitor games at their own place of business.

F. **Special Game Rules – Keno “Plus” Promotion**

1. The Keno “Plus” promotion is an extension of the Keno game and is conducted in accordance with Keno game rules and other Division rules applicable to the Keno game except as may be amended herein. This promotion will be conducted for a period of time as determined by the Division.
2. The player selects his/her Keno numbers and checks a box on the Play Slip indicating that he/she wishes to participate in the Keno “Plus” promotion.
3. The wager on the “Plus” feature must equal the player's Keno wager on the Play Slip; i.e., if the player wagers one dollar (\$1.00) on Keno, he/she must wager one dollar (\$1.00) on the “Plus” feature.
4. The Keno “Plus” drawing is conducted just prior to the Keno drawing. The Keno monitor shows a spinning wheel, which, when it stops, will indicate to the player whether the Keno drawing immediately following the “Plus” drawing will pay “No Plus” or 2x, 3x, 4x, 5x, or 10x any prize won by a participating player.

G. **Special Game Rules – Keno “Overtime” Promotion**

1. The Keno “Overtime” promotion is an extension of the Keno game and is conducted in accordance with Keno game rules and other Division rules applicable to the Keno game except as may be amended herein. This promotion will be conducted for a period of time as determined by the Division.

2. The player selects his/her Keno numbers and checks a box on the Play Slip indicating that he/she wishes to participate in the Keno “Overtime” promotion.
3. The wager on the “Overtime” feature must equal the player’s Keno wager on the Play Slip; i.e., if the player wagers one dollar (\$1.00) on Keno, he/she must wager one dollar (\$1.00) on the “Overtime” feature.
4. After each twenty (20) number Keno draw, the “Overtime” round will begin, with the sixty (60) numbers not drawn being eliminated until ten (10) numbers remain.
5. If all or some of the numbers displayed on a player’s ticket match the “Overtime” numbers, the player will win additional prizes, up to five hundred thousand dollars (\$500,000.00).

H. **Bingo**

1. The player selects how many boards to play per game, how many consecutive games to play, and how much to wager per board.
2. Wagers for a single board may be one dollar (\$1.00), two dollars (\$2.00), five dollars (\$5.00), or ten dollars (\$10.00). The player may place a wager for up to five (5) consecutive games.
3. All Bingo wagers are Quick Pick only.
4. Thirty (30) numbered Bingo balls are drawn. The numbers will land on a call number and be highlighted in red. Players try to create a winning Rhode Island Lottery Bingo pattern based on the numbers drawn.
5. A new Bingo game will take place every eight (8) minutes.
6. Tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday through Saturday and 7:00 a.m. on Sunday. Sales end at 12:45 a.m. Sunday thru Saturday.
7. Bingo tickets can only be canceled from the same terminal of purchase, prior to the draw closing for that game. If multigame tickets are purchased, a player may play the first game and cancel the subsequent games before the draw close.
8. There are eight (8) different Rhode Island Lottery Bingo patterns offering cash prizes. If more than one pattern is created on a Bingo board, the highest prize shall prevail.



9. The payoff for the Bingo game shall depend upon the amount wagered and the Bingo pattern created. This range of payoff may go from one dollar (\$1.00) to one hundred thousand dollars (\$100,000.00).
10. Retailers are prohibited from playing monitor games at their own place of business.

I. **Powerball®/Powerplay® Game (Multi-State Lottery)**

1. Powerball®/Powerplay® tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday thru Saturday and 7:00 a.m. on Sunday. Sales end at 9:50 p.m. on Wednesday and Saturday and at 12:45 a.m. on Sunday, Monday, Tuesday, Thursday, and Friday.
2. Powerball®/Powerplay® tickets cannot be canceled.
3. For game description, wagering, and payoff, see Chapter 19 of these Rules and Regulations.

J. **Mega Millions®/Megaplier® Game (Multi-State Lottery)**

1. Mega Millions®/Megaplier® tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday thru Saturday and 7:00 a.m. on Sunday. Sales end at 9:50 p.m. on Tuesday and Friday and at 12:45 a.m. on Sunday, Monday, Wednesday, Thursday, and Saturday.
2. Mega Millions®/Megaplier® tickets cannot be canceled.
3. For game description, wagering, and payoff, see Chapter 19 of these Rules and Regulations.

K. **Lucky for Life (Multi-State Game)**

1. Lucky for Life tickets can be purchased seven (7) days a week beginning at 5:00 a.m. Monday thru Saturday and 7:00 a.m. on Sunday. Sales end at 9:30 p.m. on Monday and Thursday and at 12:45 a.m. on Sunday, Tuesday, Wednesday, Friday, and Saturday.
2. Lucky for Life tickets cannot be canceled.
3. For game description, wagering, and payoff, see Chapter 21 of these Rules and Regulations.

L. **Instant Games**

1. The Director shall design games with various themes and prize structures.
2. The player reveals previously concealed numbers and/or symbols printed on the ticket.
3. Instant tickets may be sold at any price authorized by the Division but in no event less than one dollar (\$1.00) per ticket.
4. The prize payout amounts for instant ticket games shall be determined by the Division.
5. Information on help for problem gambling will be printed on all Rhode Island Lottery instant tickets.

M. **Video Lottery Games, Tables Games, and Sports Wagering**

1. For game description, wagering, and payoff, see Chapter 20 of these Rules and Regulations.

N. **Drawing Times**

1. The Director is authorized, at his/her discretion, to set the time of drawings per game, advance wagering, subscription wagering, and any other program consistent with Title 42, Chapter 61 and these Rules and Regulations, which is in the best interest of the State of Rhode Island and which keeps the Division competitive with the lotteries in other states.

**2.4 ERRONEOUS OR MUTILATED TICKETS**

- A. Erroneous tickets are defined as those tickets made out in error, printed in error, or with printing errors. These are void on their face.
- B. Invalid tickets are defined as those tickets which are mutilated, altered, unissued, stolen, reconstituted, miscut, defective, or incomplete in any manner; if complete and visual imprint does not clearly appear in each designated position; if ticket does not match standards on file with the Division and/or fails any Division validation requirement. These tickets are invalid, but in some cases may be validated by Division personnel at the buyer's option.
- C. The tickets referred to in Items A and B are to be voided immediately by the Retailer and/or Division personnel, and the Director immediately notified. The Retailer shall inform the holder to take the ticket to Division Headquarters.

- D. Credit for such tickets may be issued only upon authorization from the Division.
- E. A holder of a ticket which is mutilated, defective, incomplete, or one where complete and visual imprint does not clearly appear in each designated position, can win a prize if the holder elects to have it validated by Division personnel, as long as the ticket can be identified as a valid ticket and the security control number and/or the drawing date all are legible, and the ticket passes all of the validation tests. If all criteria are verified, the Director can issue a prize credit. If any such ticket fails the validation process, the ticket shall be deemed a non-winner; and the holder thereof shall not be entitled to reimbursement in that the holder has played his/her ticket out.

## **2.5 LOST TICKETS**

- A. The Division must have a ticket in order to process a claim form.

## **CHAPTER THREE**

### **DIRECTOR**

#### **3.1 QUALIFICATIONS AND APPOINTMENT**

- A. The Division shall be under the immediate supervision and direction of a Director who shall be qualified to administer an enterprise of the nature of a Lottery.
- B. The Director shall be appointed by the Governor with the advice and consent of the Senate. The appointment shall be reviewed or vetted by the Permanent Joint Committee on State Lottery according to § 42-61-3 of the Act.
- C. The Director shall serve until his/her successor is appointed and qualified. Any vacancy occurring in the office of the Director shall be filled in the same manner as the original appointment.
- D. Pursuant to § 42-61-4 of the Act, in the case of a vacancy while the Senate is not in session, the Governor shall appoint a Director to hold the office until the next session thereof; provided, that no person should serve in such a position for more than three (3) legislative days after the Senate convenes unless that person's name shall have been submitted to the Senate for its approval.
- E. The Director of Lotteries shall devote his/her entire time and attention to the duties of his/her office and shall not be engaged in any other profession or occupation. He/she shall receive any salary that the Director of the Department of Revenue shall determine and shall be in the unclassified service.
- F. The Director of Lotteries shall be removable by the Governor, pursuant to the provisions of R.I.G.L. §36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

#### **3.2 POWERS AND DUTIES**

- A. The Director shall have the power, and it shall be his/her duty to:
  - 1. Supervise and administer the operation of the Lottery in accordance with R.I.G.L., Title 42, Chapter 61 and Chapter 61.2, and the Rules and Regulations of the Division.
  - 2. Act as chief administrative officer having general charge of the office and records and to employ necessary personnel to serve at his/her pleasure, who shall be in the unclassified service, and whose

salaries shall be set by the Director of the Department of Revenue, pursuant to the provisions of § 36-4-16.

3. In accordance with the Act and the Rules and Regulations of the Division, license as Retailers, to sell Lottery tickets, those persons, as in his/her opinion, will best serve the public convenience and promote the sale of tickets or shares. The Director may require a bond from every licensed Retailer in an amount provided in the Rules and Regulations of the Division. Every licensed Retailer shall prominently display his/her license, or a copy of his/her license, as provided in the Rules and Regulations of the Division.
4. Confer regularly, as necessary or desirable, and not less than nine (9) times per year, with the Permanent Joint Committee on State Lottery on the Lottery's operation and administration; make available for inspection by the Committee, upon request, all information and documents of the Division; advise the Committee and recommend those matters that he/she deems necessary and advisable to improve the operation and administration of the lotteries.
5. Suspend or revoke any license issued pursuant to Title 42, Chapter 61 and Chapter 61.2 or these Rules and Regulations.
6. Enter into contracts for the operation of the lotteries and into contracts for the promotion of lotteries.
7. Ensure that monthly financial reports are prepared providing gross monthly revenues, prize disbursements, other expenses, net income, and the amount transferred to the General Fund for Keno and for all other Lottery operations. Submit this report to the State Budget Officer, the Auditor General, the Permanent Joint Committee on State Lottery, the Legislative Fiscal Advisors, and the Governor, no later than the twentieth (20<sup>th</sup>) business day following the close of the month. The monthly report shall be prepared in a manner prescribed by the members of the Revenue Estimating Conference.
8. At the end of each fiscal year, submit an annual report based upon the accrual system of accounting, which should include a full and complete statement of Lottery revenues, prize disbursements and expenses, to the Governor and the General Assembly, which report shall be a public document and shall be filed with the Secretary of State.
9. Carry on a continuous study and investigation of the state lotteries throughout the State, and the operation and administration of similar laws in effect in other states or countries.

10. Promulgate Rules and Regulations, which shall include, but not be limited to the:
  - a. Price of tickets or shares in the lotteries;
  - b. Number and size of the prizes on the winning tickets or shares;
  - c. Manner of selecting the winning tickets or shares;
  - d. Manner of payment of prizes to the holders of winning tickets or shares;
  - e. Frequency of the drawings or selections of winning tickets or shares;
  - f. Number and types of location at which tickets or shares may be sold;
  - g. Method to be used in selling tickets or shares;
  - h. Licensing of Retailers to sell tickets or shares, except that persons under the age of eighteen (18) shall not be licensed as a Retailer;
  - i. Application/license fee to be charged to Retailers;
  - j. Manner in which the proceeds of the sale of Lottery tickets or shares are maintained, reported, and otherwise accounted for;
  - k. Manner and amount of compensation to be paid licensed Retailers necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the general public;
  - l. Apportionment of the total annual revenue accruing from the sale of Lottery tickets or shares and from all other sources for the payment of prizes to the holders of winning tickets or shares, for the payment of costs incurred in the operation and administration of the lotteries, including the expense of the Division and the costs resulting from any contract or contracts entered into for promotional, advertising, consulting, or operational services, or for the purchase or lease of facilities, Lottery equipment and materials, for the repayment of moneys appropriated to the Lottery Fund;
  - m. Superior court, upon petition of the Director after a hearing, may issue subpoenas to compel the attendance of witnesses

and the production of documents, paper, books, records, and other evidence in any matter over which it has jurisdiction, control or supervision; if a person subpoenaed to attend the proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in the proceeding or hearing refuses without lawful cause to be examined or to answer a legal or pertinent question or to exhibit any book account, record, or other document when ordered to do so by the court, that person may be punished for contempt of the court;

- n. Manner, standards, and specification for a process of competitive bidding for Division purchases and contracts; and
- o. The criteria to be used in determining whether, based upon a criminal record check, an application for a license or renewal thereof shall be approved.

### **3.3 CRIMINAL RECORDS CHECK**

- A. In determining whether, based upon a criminal records check, an application to sell pull-tab lottery tickets pursuant to R.I.G.L. § 11-19-35, an application for a license to be a lottery Retailer pursuant to R.I.G.L. § 42-61-5, and an application for a license to be a technology provider pursuant to R.I.G.L. § 42-61.2-3 should be approved; unless otherwise provided herein or unless the context clearly requires otherwise, the following capitalized terms herein shall have the following meanings:
  - 1. “Arrest” means any detaining, holding, or taking into custody by any police or other law enforcement authorities based on probable cause that a person has committed a crime.
  - 2. “Charge” means any indictment, complaint, information, summons, or other notice of the alleged commission of a crime.
  - 3. “Criminal History Record Information” or “CHRI” means information received by the Division, Rhode Island State Police, and/or Rhode Island Department of Attorney General from the Federal Bureau of Investigation (“FBI”).
  - 4. “Offense” means conviction for any felony, misdemeanor, Alford plea, a plea of nolo contendere, and/or a civil offense on a CHRI which is relevant to the type of license sought. Juvenile offenses will not be considered unless the juvenile has been charged as an adult.
- B. The types of CHRI that may warrant denial of application for a license or renewal of a license would include:

1. Convictions or Offenses that occurred within the last twenty (20) years; and
  2. Arrests and/or Charges that occurred within the last ten (10) years.
- C. Aggravating factors related to the CHRI to be considered by the Director in connection with an application for a license or a renewal thereof include, but are not limited to:
1. Relevance and seriousness of the applicant's CHRI record to the type of license sought;
  2. Number of Arrests, Charges, and/or Offenses on the applicant's CHRI that are relevant to the type of license sought;
  3. Pattern of similar Arrests, Charges, and/or Offenses on the applicant's CHRI that are relevant to the type of license sought;
  4. Evidence of significant harm to a victim(s) or community as reflected in the investigation of the applicant's CHRI;
  5. Applicant's refusal, delay, or inadequate explanation of facts and circumstances of information reflected on CHRI or obtained during the investigation of information on the CHRI;
  6. Applicant's refusal to acknowledge responsibility for Arrest and/or Charge and/or Offense;
  7. Applicant's lack of cooperation with the Division's investigation;
  8. Applicant's submission of false or misleading statements or evidence to the Division; and,
  9. Applicant's intimidation of, or threats to, witnesses or others involved with the Division's investigation.
- D. Mitigating factors related to the CHRI, which may be considered by the Division in connection with an application for a license or a renewal thereof, include, but are not limited to:
1. Relevance and seriousness of the applicant's CHRI record to the type of license sought;
  2. Duration of time since the date of Arrest and/or Charge and/or Offense;
  3. Lack of extensive relevant criminal history;



4. Lack of Arrests, Charges, or Offenses currently pending against licensee/applicant;
  5. Lack of pattern of similar Offenses relevant to the license sought;
  6. Age of the applicant at the time of Arrest, Charge, and/or Offense;
  7. Documented evidence of the applicant's rehabilitation since Arrest, Charge, and/or Offense;
  8. Applicant's cooperation with the Division's investigation;
  9. No evidence of significant harm to a victim(s) or public as reflected in the investigation of applicant's CHRI;
  10. Documented evidence that the applicant has timely made any required restitution;
  11. Documented evidence of the applicant's understanding, acknowledgment, and remorse for Arrest, Charge, and/or Offense; and,
  12. Documented explanation by the applicant regarding circumstances related to Arrest, Charge, and/or Offense.
- E. The Division will also evaluate the CHRI to determine if the Arrest, Charge, and/or Offense is relevant to the type of license sought by the applicant.
- F. Upon review and evaluation and investigation of the CHRI, the Division may deny the application for license or renewal application, grant the application for license or renewal application without conditions, or grant the application for license or renewal application with conditions.
- G. The provisions of this Chapter Three, Section 3.2 A. 10(o) and 3.3 shall supplement and be in addition to other relevant provisions of the Division's Rules and Regulations; however, to the extent that any other provisions thereof are in conflict with the provisions of said Section 3.2 A. 10(o) and 3.3, the provisions of said 3.2 A. 10(o) and Section 3.3 shall control.

## **CHAPTER FOUR**

### **LOTTERY RETAILERS – APPLICATION AND LICENSE**

#### **4.1 APPLICATION**

- A. Any person interested in obtaining a license to be a Lottery Retailer must first file an “Application for Lottery Sales Retailer License” with the Division.

#### **4.2 ELIGIBILITY FOR LICENSE**

- A. No license as a Retailer to sell Lottery tickets shall be issued to any person to engage in the sale of Lottery tickets as his/her sole occupation or business.
- B. Before issuing any license, the Director shall consider such factors as the:
  - 1. Background of employees of the Retailer to determine if they would be an appropriate seller of tickets under the license;
  - 2. Financial responsibility and security of the person and his/her business or activity;
  - 3. Accessibility of his/her place of business or activity to the public;
  - 4. Sufficiency of existing licenses to serve the public interest;
  - 5. Volume of expected sales; or
  - 6. Any other factors pertaining to the public interest, welfare, convenience, or trust.

#### **4.3 ISSUANCE OF LICENSE**

- A. The Director shall, in accordance with the provisions of the Act and the Rules and Regulations of the Division, license as Retailers to sell Lottery tickets such persons as in his/her opinion will best serve the public convenience and promote the sale of tickets or shares. The Director may also refuse to grant or suspend a license pending a final judicial determination.
- B. Every holder of a license as a Lottery Retailer shall renew such license annually pursuant to the Rules and Regulations of the Division.
- C. As provided in §42-61-5 of the Act, a Criminal Records Check shall be conducted on Retailer license applicants, in accordance with Chapter 3, Section 3.3 of these Rules and Regulations.

- D. Licensees shall pay to the Division a fee to be determined by the Director, upon application for and/or renewal of a license.

#### **4.4 RETAILER DISPLAY REQUIREMENTS AND PLAY RESTRICTIONS**

- A. Every licensed Retailer shall prominently display his/her license or a copy thereof in an area visible to the general public.
- B. The Retailer shall maintain and display all promotional materials in conjunction with ticket sales in accordance with instructions issued by the Director.
- C. Every licensed Lottery Retailer and Video Lottery Retailer, licensed under Title 42, Chapter 61.2, shall keep conspicuously posted on his/her premises the name and telephone number of a problem gambling helpline and a statement of its availability to offer assistance. The Division shall supply each licensee with the required notice.
- D. Retailers are prohibited from playing monitor games at their place of business.

#### **4.5 BONDING OF RETAILERS**

- A. The Director may require a bond from every licensed Retailer in such amount as deemed appropriate by the Director.

#### **4.6 HEARINGS ON DENIAL OR REVOCATION OF LICENSE**

- A. The Director shall refuse to grant or shall suspend, pending a hearing before the Division, or revoke a license, if the applicant or licensee has been:
  - 1. Convicted of a felony or any crime involving moral turpitude;
  - 2. Engaging in gambling as a significant source of income;
  - 3. Convicted of violating any gambling statutes;
  - 4. Convicted of fraud or misrepresentation in any connection;
  - 5. Found to have violated any Rule, Regulation, or order of the Division.
- B. The license of a Retailer shall be suspended by the Director for any charge which may result in a conviction for conduct prescribed in subdivisions (A) (1) – (A) (5), which suspension shall be effective until a final judicial determination.

- C. The Director shall refuse to grant, or shall suspend, pending a hearing before the Division, or revoke a license if the applicant or licensee is a corporation and any of its directors, officers, or controlling shareholders have been guilty of any of the activities specified below:
1. Any of the directors, officers, or controlling shareholders has been found guilty of any of the activities specified in Section A (1-5) above;
  2. It appears to the Director of Lotteries that due to the experience, character, or general fitness of any director, officer, or controlling shareholder, the granting of a license as a Lottery Sales Retailer would be inconsistent with the public interest, convenience, or trust;
  3. Is not the owner or lessee of the business at which it will conduct a Lottery sales agency pursuant to the license applied for, or that any person, firm, association, or corporation other than the applicant shares or will share in the profits of the applicant, other than receiving dividends as a shareholder, or will participate in the management of the affairs of the applicant.
- D. The Retailer's license may be immediately suspended, revoked, or his/her renewal rejected for any of the following causes or any combination of the same, whenever:
1. The Retailer's application for a license contains knowingly false or misleading information;
  2. The Retailer violates any of the provisions of the Act, these Rules and Regulations, the Retailer's Operating Procedures, instructions, and/or directions of the Director of the Division;
  3. The Retailer's business address is changed;
  4. The Retailer and/or the Retailer's employees commit any act that seriously impairs his/her reputation for honesty and integrity;
  5. The Retailer fails to maintain a reasonable level of sales as determined by the Director;
  6. The Retailer does not display Lottery point of sale material in a manner that can be readily seen by the public or fails to make handout materials readily available to the public;
  7. The Retailer is delinquent in making required accounting or fails to pay on schedule all moneys owed to the Division;

8. The Retailer has been convicted of a felony or any crime involving moral turpitude;
  9. The Retailer and/or the Retailer's employees have been arrested or convicted for bookmaking or other forms of illegal gambling;
  10. The Retailer has been found guilty of any fraud or misrepresentations;
  11. The Retailer fails to take reasonable security precautions with regard to the handling of Lottery tickets and other materials;
  12. The Director finds that the Retailer's experience, character, and general fitness are such that his/her participation as a Retailer is inconsistent with the public interest, convenience, and necessity, or for any other reason with the permissible discretion of the Director;
  13. A Retailer is found to have accepted a Lottery wager by telephone or other electronic means.
- E. Upon termination of a Retailer's license for any reason, the Retailer shall appear at the Division Headquarters on a date designated by the Director, or his/her designee, for the purpose of rendering his/her final Lottery accounting;
- F. Upon notice of revocation, the Retailer shall surrender immediately to the Director, or his/her designee, the Retailer's license and other Lottery materials supplied to the Retailer by the Division.

#### **4.7 RETAILER'S COMPENSATION**

- A. All licensed Retailers shall be entitled to a sales commission as follows:
1. Five percent (5%) on instant game tickets;
  2. Eight percent (8%) on all on-line games;
  3. One percent (1%) of the prize value of instant tickets validated at Retailer location; and
  4. One percent (1%) of the prize value of validated instant tickets of one thousand dollars (\$1,000.00) or more sold at Retailer location.
- B. The Director may change percentages and may allow bonus amounts.
- C. The Director may implement a Sales Incentive Program for licensed Retailers.

#### **4.8 SPECIAL LOTTERY RETAILER**

- A. The Director may, upon proper application, license special Lottery Retailers for a period of ninety (90) days.
- B. A special license may be issued subject to the special conditions or limitations, as the Director in his/her discretion may deem prudent, and consonant with the dignity of the Division, and the general welfare of the people of the State of Rhode Island.
- C. These limitations or conditions may include, but are not limited to:
  - 1. Length of licensure period;
  - 2. Hours or days of sale;
  - 3. Location of sale;
  - 4. Specific persons who sell Lottery tickets;
  - 5. Specific sporting, charitable, social, and other special events where Lottery tickets may be sold.
- D. Retailers holding special Lottery licenses shall be subject to all Rules and Regulations of the Division not inconsistent with the Act.

#### **4.9 TRANSFER OF LOTTERY LICENSE**

- A. A Lottery license issued pursuant to these regulations shall not be transferable.
- B. If the business or location to which a license is issued, or the ownership thereof, substantially changes, the Division reserves the right to terminate the Lottery license through the action of the Director.
- C. The Director must be notified in writing at least twenty (20) days prior to any proposed transfer of any licensed business or the ownership thereof.

## **CHAPTER FIVE**

### **DEPOSIT OF LOTTERY FUNDS BY RETAILERS**

#### **5.1 DEPOSIT OF LOTTERY FUNDS BY RETAILERS**

- A. All proceeds from the sale of Lottery tickets or shares received by a person in the capacity of a Retailer shall constitute a trust fund until paid to the Division and, in addition, shall be subject to the conditions of Section 6 of the Act, entitled “Proceeds of Sales - Segregated Funds.”
- B. The Retailer shall be personally liable for all proceeds, and failure to pay the Division moneys owed, upon demand, from such sales or misappropriation of such funds shall constitute embezzlement under R.I.G.L., Chapter 41, Section 3. The provision of this Section shall be enforced and prosecuted by the State Police and the Attorney General’s Office.
- C. All Retailers are required to pay to the Division all moneys received by such Retailer from the sale of Lottery tickets, less the amount, if any, retained as compensation for the sale of the ticket and for payment of prizes, and to file, with the Director, or his/her designee, reports of their receipts and transactions in the sale of Lottery tickets in such form and containing such information as he/she may require.
- D. In this connection, Retailers should refer to the “Retailer Operating Procedures” made available to Retailers by the Director.
- E. The Retailer shall keep current records of all operations in conformity with the Act and these Rules and Regulations, Retailer Operating Procedures, and such other instructions as may be promulgated by the Director of the Division.
- F. The Retailer’s Lottery operations and records shall be subject to inspection and audit by representatives of the Division upon demand.
- G. The Retailer shall account to the Division for the proceeds from his/her sales of all instant and on-line Lottery tickets as follows:
  - 1. The Division requires electronic transfer of funds for all Retailers.
  - 2. The Retailer shall deposit all proceeds from sales of instant and on-line Lottery tickets on Monday of each week or, in the event of a Monday holiday, on the first business day of the week during which banks in Rhode Island are open.
- H. The Retailer shall make available current Lottery tickets for sale to the public at all times during normal business hours.

- I. All tickets accepted by a Retailer from the Division are deemed to have been purchased by the Retailer once the book is activated, and the purchase price shall be paid to the Division, less the appropriate commission, and prize payment if any, in accordance with the Settlement Policy established by the Division.
- J. The Retailer is responsible for lost, stolen, missing, or loose tickets not returned in undetached sequential order. If the tickets are sold out of sequence, the Retailer shall pay for all tickets preceding the last ticket sold out of sequence.

**5.2 BANKRUPTCY OR INSOLVENCY**

- A. In the event a petition in bankruptcy or insolvency proceedings are initiated against a Retailer, the Retailer shall be subject to Section 6.2 of the Act, in addition to any other statutes or Rules and Regulations governing the conduct of Lottery Retailers.



## **CHAPTER SIX**

### **LOTTERY ACCOUNTS**

#### **6.1 LOTTERY ACCOUNTS**

- A. The Director may require, by electronic fund transfer or any other method, any or all Lottery Retailers to deposit to the credit of the Lottery fund, in financial institutions designated by the Director, all moneys received by such Retailers from the sale of Lottery tickets or shares, less the amount, if any, retained as compensation for the sale of the tickets and for payment of prizes, and to file with the Director, or his/her designated depository, reports of their receipts and transactions in the sale of Lottery tickets in such form and containing such information as they may require.
- B. The Director may make such arrangements for any person, including a financial institution, to perform such functions, activities, or services in connection with the operation of the Lottery as he/she may deem advisable pursuant to the Act and these Rules and Regulations, and such functions, activities, and services shall constitute lawful functions, activities, and services of such person.
- C. The financial institution selected by the Director for safekeeping shall provide the Lottery with a monthly statement of all transactions made during the immediate preceding month.

## **CHAPTER SEVEN**

### **LOTTERY TICKET SAFEKEEPING**

#### **7.1 SAFEKEEPING PROCEDURES FOR ANNUITIES AND GOVERNMENT OFFERINGS**

- A. Director may contract for the safekeeping and record keeping of all outstanding annuities and any other investment vehicles, such as, but not limited to, government securities, with a financial institution selected by the Division.

## **CHAPTER EIGHT**

### **CONSIGNMENT OF TICKETS TO RETAILERS**

#### **8.1 GENERAL PROCEDURES**

- A. The Division may consign Lottery tickets to Retailers and shall collect tickets, which the Retailers have not sold.
- B. The Division shall not distribute tickets to a Retailer who (in accordance with Division rules) is classified as a delinquent.
- C. Tickets shall be distributed to Retailers in quantities designated by the Director.

#### **8.2 ASSIGNMENT OF RETAILERS TO FINANCIAL INSTITUTIONS**

- A. After a Retailer's application has been accepted and approved by the Director, the Retailer may be assigned to a financial institution.
- B. The financial institution shall be notified of the Retailer's authorization at the same time the Retailer receives notice of his/her assignment.

#### **8.3 AUTHORIZATION TO REQUEST TICKETS**

- A. The Retailer shall notify the Division of the names, addresses, and dates of birth of one or several persons in his/her business authorized to request and receive delivery of tickets from the Division.
- B. The employee or such person must identify himself/herself to the Division representative before receiving tickets.

#### **8.4 RETAILER FORM**

- A. When picking up or returning tickets, the Retailer shall conform to the information and instructions set forth in the "Retailer Operating Procedures Manual" made available to Retailers by the Director.

#### **8.5 TICKETS STOLEN FROM RETAILER**

- A. Whenever tickets are stolen from a Retailer or while in transit to, from, or between the Division and the Retailer, the Director may, in his/her sole and absolute discretion, upon good cause shown, provide for reimbursement to the party responsible for the tickets that are stolen. The Retailer or any other party responsible for said tickets shall report the theft of stolen tickets to the Director immediately upon notification of said theft.

- B. The tickets stolen shall be removed from the pool in question and shall not, under any circumstances, be entitled to any prize.
- C. The party responsible for the tickets must be able to provide the Director with a series and pack number of the tickets stolen.
- D. It is the responsibility of the Retailer to report the theft of Lottery tickets to the local police department immediately.

## **CHAPTER NINE**

### **LIMITATIONS AND PROHIBITIONS**

#### **9.1 TICKET SALES PRICE RESTRICTIONS**

- A. No person shall sell a ticket at a price other than that fixed by these Rules and Regulations of the Division.
- B. No person, other than a licensed Retailer, shall sell Lottery tickets except that nothing in this section shall be construed to prevent any person from giving Lottery tickets or shares to another as a gift.

#### **9.2 PRIZES NON-ASSIGNABLE**

- A. No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prizewinner, and except that any person, pursuant to an appropriate judicial order, may be paid according to said judicial order.
- B. The Director shall be discharged of all further liability upon payment of a prize as described by the Lottery law.

#### **9.3 PAYMENT OF PRIZES – SET OFF PROVISIONS**

- A. The following set off provisions shall apply to the payment of any prizes or winning ticket in excess of six hundred dollars (\$600.00):
  - 1. The Department of Human Services shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with such other identifying information, who, as of the date of the list or compilation, have an unpaid child support order in excess of five hundred dollars (\$500.00) shown on the Rhode Island Family Court/Department of Human Service Child Support Enforcement Computer System (CSE System). The Department of Labor and Training shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with any identifying information, who, as of the date of the list or compilation, have unpaid benefit overpayments and interest in excess of five hundred dollars (\$500.00). The Tax Administrator shall periodically, within each year, furnish the Director with a list or compilation of names of individuals, together with any other identifying information and in a form that the Director shall require, who, as of the date of the list or compilation, have unpaid taxes in excess of six hundred dollars (\$600.00).
  - 2. The Director shall set off against the amount due in unpaid child support or benefit overpayments in excess of five hundred dollars

(\$500.00) for any person entitled to receive such prize or winning ticket in excess of six hundred dollars (\$600.00), after State and Federal tax withholding, an amount up to the balance of such child support debt or unpaid benefit overpayments and interest. Payment shall be made directly to the Rhode Island Family Court or the Department of Labor and Training. The Director shall set off against the amount due in unpaid taxes in excess of six hundred dollars (\$600.00) for any person entitled to receive such prize or winning ticket in excess of six hundred dollars (\$600.00), after State and Federal tax withholding, an amount up to the balance of such tax debt. Payment shall be made directly to the Tax Administrator. The claim for child support arrearages by the Department of Human Services shall receive first priority, the claim for benefit overpayments and interest by the Department of Labor and Training shall take second priority, and the claim for taxes owed by the Tax Administrator shall take third priority.

#### **9.4 PURCHASER RESTRICTIONS**

- A. Employees of the Rhode Island Lottery and any immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) residing in the same household as the employee shall not purchase a ticket or be eligible for a prize in any Rhode Island Lottery game, including the Multi-State Lottery Games, Powerball® and Mega Millions®. This restriction also includes the playing of Video Lottery Terminals at Twin River and Tiverton Casino, as well as any Table Games, pari-mutuel, and/or simulcast wagering offered at those Facilities.
- B. No prize shall be paid to any of the following persons:
  - 1. Any officer or employee of the Division;
  - 2. Any blood relative residing as a member of the same household in the principal place of abode of any of the foregoing persons; or
  - 3. Any gaming vendor and its employees doing business with the Division.

## **CHAPTER TEN**

### **LOTTERY TICKET OFFERINGS**

#### **10.1 INSTANT, ON-LINE, AND MONITOR GAMES**

- A. Tickets shall be sold to the public at a price determined by the Director.
- B. No tickets may be sold after the commencement of a drawing. The date of the drawing shall be imprinted upon all tickets except instant tickets.
- C. No ticket shall be sold to any person under the age of eighteen (18). However, this shall not be deemed to prohibit the purchase of a ticket for the purpose of making a gift by a person eighteen (18) years of age or older to a person less than that age. Any licensee, who knowingly sells or offers to sell a Lottery ticket to any person under the age of eighteen (18), shall, upon conviction, be guilty of a misdemeanor.
- D. All ticket sales shall be final, and no ticket returns are to be accepted by any Retailer. However, a holder shall be entitled to his/her money back or may have the ticket validated by Division employees by presentation of the ticket at the Division, if it falls within the classes described by Chapter 2, Section 2.4 of these Rules and Regulations.
- E. It is the responsibility of the player to verify at the time of purchase that he/she in fact received what was requested and to rectify any discrepancy immediately.

#### **10.2 PULL TAB TICKETS**

- A. Pull Tab tickets shall be sold in denominations determined by the Director and shall be characterized by distinctive names.
- B. All packets shall have a selling price and net profit to an organization as set forth at the discretion of the Director.
- C. Unsold Pull Tab tickets will not be re-purchased by the Division.

## **CHAPTER ELEVEN**

### **DRAWING TIME**

#### **11.1 TIME OF DRAWING**

- A. Drawings may be held on dates, places, and times to be fixed by the Director.
- B. Tickets to be included in any drawing, and the only tickets eligible to win prizes therein, shall be those issued by the Director for sale prior to the drawing date on said ticket.
- C. Numbers drawings may be held daily, and any day may be excluded by the Director.
- D. Lotto-type drawings may be held on days selected by the Director.
- E. Monitor Game drawings and times to be fixed by the Director.

#### **11.2 PLACE OF DRAWINGS**

- A. Each drawing shall be conducted in locations determined by the Director.
- B. All drawings, if practical, shall be open to the public and to representatives of the news media. Monitor games are not practical to be open to the public and representatives of the news media. However, if requested, the procedure used shall be shown.



## **CHAPTER TWELVE**

### **PROCEDURE FOR CLAIMING PRIZES**

#### **12.1 PROCEDURES**

- A. In order to claim any prize, a winning ticket must be presented.
- B. All prizes may be claimed at the Division Headquarters.
- C. Prizes may be paid by Retailers at amounts specified by the Director, at his/her sole discretion, with proper validation and identification of winner.
- D. Winning tickets must be presented by legal owner.
- E. The Director may designate claim centers for the Division and advertise their locations, and may require a claim form provided by the Division to be filled out.
- F. The Division Headquarters at 1425 Pontiac Avenue, Cranston, Rhode Island, shall be the principal claim center.
- G. The Director may, in his/her discretion, require verification on the claim form of persons claiming a prize that he/she is not an officer or employee of the Division or a person prohibited from claiming a prize.

#### **12.2 WINNING NUMBERS LIST**

- A. The Division will make available a list of all winning numbers for the fifty-two (52) previous weeks.

## **CHAPTER THIRTEEN**

### **PAYMENT OF PRIZES**

#### **13.1 INFORMATION TO BE FURNISHED BY WINNING TICKET HOLDERS**

- A. The purchaser and/or claimant of a winning ticket, before receiving payment of his/her prize, shall furnish the Director, or his/her designee, with his/her Social Security Number, or with any identifying number or account number assigned to him/her by the Internal Revenue Service for Federal Income Tax purposes, or any identification data that is requested by the Director to satisfy any State or Federal requirements.
- B. Purchasers of winning tickets who are non-resident aliens shall also file with the Director, or his/her designee, verification to this effect for Federal Income Tax purposes.
- C. All payment of prizes shall be made pursuant to all applicable State and Federal Laws and Regulations.

#### **13.2 WAIVER OF CONDITIONS**

- A. The Director may waive compliance with any of the requirements of this Chapter in appropriate cases if he/she is satisfied that such compliance is unnecessary.

#### **13.3 REQUIREMENT OF ADDITIONAL INFORMATION**

- A. In any case where additional information is required to show that a person claiming a prize is the owner of the ticket drawn for the prize and is entitled to receive payment of the prize, the Director may require the claimant to supply such further evidence as may be appropriate under the circumstances of the case.

#### **13.4 MANNER OF PAYMENT OF PRIZES**

- A. All money prizes authorized to be paid by licensed Retailers may be paid in cash or check.
- B. All major money prizes paid at Division Headquarters will be paid by check. Minor prizes and prize situations involving emergency payments may be paid in cash at the discretion of the Director.
- C. Said payment shall be made only to the claimant as indicated by the signature on the back of the ticket, which must correspond with the name and signature on any claim form required.

### **13.5 TIME OF PRIZE PAYMENTS**

- A. The payment of prizes shall be awarded as soon as reasonably possible after the claimant has been identified, and the validation process is completed to the satisfaction of the Director.
- B. The payment of prizes to prize winners of super drawings opting for annuity payments shall be made annually on the anniversary date of claim.
- C. Subscription winners will be paid automatically at the address on the subscription application.

### **13.6 DISCHARGE OF LIABILITY UPON PAYMENT**

- A. The Division, Director, Lottery Retailers, officers, and employees shall be discharged of all liability upon payment of a prize to the holder of any winning ticket.
- B. The Director's decision, in conformity with the provisions of Chapter 2, Section 2.4 in its entirety respecting the determination of a winning ticket, shall be final.
- C. In the event of any dispute between two or more persons claiming to be the owners and holders of any winning Lottery ticket, the Director may deposit the prize money in the Superior Court of the State of Rhode Island and shall thereafter be relieved of any further responsibility or liability with respect to such moneys.

### **13.7 PRIZE PAYMENTS TO PERSONS UNDER EIGHTEEN (18) YEARS OF AGE**

- A. The payment of a prize for any winning ticket to a person under the age of eighteen (18) years shall be made in accordance with the provisions of the "Uniform Transfers to Minors Act" R.I.G.L., Chapter 18-7.
- B. Payment pursuant to said section shall discharge the Division and the Director of further liability or responsibility under said Section.

### **13.8 PRIZE PAYMENTS TO PERSONS UNDER ANY OTHER LEGAL DISABILITY**

- A. If a person entitled to a prize on any winning ticket is under any other legal disability, the Director shall direct payment to a fiduciary responsible for such person pursuant to the Laws of this State.
- B. The Director shall be relieved of all further liability upon payment of a prize to a person under a legal disability pursuant to this Section.

**13.9 PRIZES EXEMPT FROM RHODE ISLAND STATE TAXES**

- A. The prizes received pursuant to this Chapter shall be exempt from any sales or use tax.

## **CHAPTER FOURTEEN**

### **UNCLAIMED PRIZE MONEY**

#### **14.1 UNCLAIMED PRIZE MONEY**

- A. Unclaimed prize money shall be retained by the Director for one (1) year after the drawing date in which the prize was won or one (1) year after the end of a specific game.
- B. If no claim is made for a prize within such year, the prize money shall be considered forfeited and returned to the Lottery Fund.

## **CHAPTER FIFTEEN**

### **FORGERY AND COUNTERFEITING**

#### **15.1 PENALTIES FOR FORGERY AND COUNTERFEITING**

- A. Any person who, with intent to defraud, shall falsely make, alter, forge, utter, pass, or counterfeit a Lottery ticket, shall be guilty of a felony punishable by imprisonment for not more than ten (10) years or by a fine of not more than one thousand dollars (\$1,000.00) or both per §16 of the Act.

**CHAPTER SIXTEEN**

**ADMINISTRATIVE PROCEDURES ACT EXEMPTION**

**16.1 EXEMPTION FROM ADMINISTRATIVE PROCEDURES ACT**

- A. The Division is exempt from the Administrative Procedures Act (R.I.G.L. Chapter 42-35).

## **CHAPTER SEVENTEEN**

### **RHODE ISLAND LOTTERY FUND**

#### **17.1 LOTTERY FUND**

- A. The moneys in the Lottery Fund shall be allotted in the following order and only for the following purposes:
1. Establishing a prize fund from which payments of the prize awards shall be disbursed to holders of winning Lottery tickets on checks signed by the Director and countersigned by his/her designee. The amount of payments of prize awards to holders of winning Lottery tickets shall be determined by the Division, but shall not be less than forty-five percent (45%) nor more than sixty-five percent (65%) of the total revenue accruing from the sale of Lottery tickets. However, the amount of prize awards for the game of Keno shall be determined by the Director, but shall not be less than forty-five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing from the sale of Keno tickets.
  2. Payment of expenses incurred by the Division in the operation of the Lottery including, but not limited to, costs arising from contracts entered into by the Director for promotional, consulting, or operational services, salaries of professional, technical, and clerical assistants, purchase or lease of facilities, Lottery equipment, and materials.
  3. Payment into the General Revenue Fund of all revenues remaining in the Lottery Fund after the payments specified in Numbers 1 and 2 of this section, provided that the amount to be transferred into the General Revenue Fund shall equal no less than twenty-five percent (25%) of the total revenue received and accrued from the sale of Lottery tickets, plus any other income earned from the Lottery; provided further that the revenue returned to the General Fund from the game of Keno shall not be calculated as part of the twenty-five percent (25%) mandate required by this section, but the amount transferred into the General Fund shall equal no less than fifteen percent (15%) of the total Keno revenue received.
- B. In addition to any other audit, the Auditor General shall conduct an audit as of December 31<sup>st</sup> of every year or any other audits as he/she or the Division shall deem necessary. The Auditor General may examine all records, files, and other documents of the Division, and such records of Lottery Sales Retailers as pertain to their activities as Retailers for the purposes of conducting authorized audits.



## **CHAPTER EIGHTEEN**

### **PURCHASING PROCEDURE PREAMBLE**

It shall be the policy of the Division that its public officers and employees must adhere to the highest standard of ethical conduct, respect the public trust and the rights of all persons, be open, accountable and responsive, avoid the appearance of impropriety, and not use their positions for private gain or advantage.

In this respect, it is hereby declared the policy of the Division that all Division employees shall adhere to the code of ethics and professional behavior as outlined in Section 3 of the Code of Ethics and Professional Behavior of the Rhode Island Rules, Regulations and General Conditions of Purchases.

It shall also be the policy of the Division to make every effort possible to assure the participation of small, minority, and female-owned businesses pursuant to Section 4, entitled "Vendor Qualification." As outlined in the Procurement Regulations promulgated pursuant to Chapter 37-2 of the General Laws of the State of Rhode Island and as mandated in Title 37, Chapter 14.1 of the General Laws of the State of Rhode Island, entitled "Minority Business Enterprise."

#### **18.1 PURCHASING PROCEDURE**

- A. Whenever any purchase or contract for any supplies, material, equipment, services, or property is made on behalf of the Division, such order shall be in accordance with the following procedure:
1. All requests must be submitted to the Director, who will be the Procurement Officer for the Division.
  2. All purchases made on behalf of the Division, with the exception of advertising media and media production, the price or consideration of which shall be two thousand five hundred dollars (\$2,500.00) or less, may be procured by the Procurement Officer on an informal bid basis.
  3. All purchases made on behalf of the Division, with the exception of advertising media and media production, the price or consideration of which shall be in excess of two thousand five hundred dollars (\$2,500.00), but amount to less than five thousand dollars (\$5,000.00), shall be made by the Procurement Officer on the basis of three (3) or more informal competitive bids, which must be submitted in writing. Upon receipt of said informal bids, any such contract shall be awarded to the lowest responsible bidder among them.

4. No purchase request, which is essentially a unit under Paragraphs 2 and 3 hereunder, shall be divided for the purpose of evading the requirements of solicitation of competitive bids set forth therein or as set forth in Paragraphs hereafter.
5. It shall be the responsibility of the Procurement Officer to:
  - a. Make all contracts for purchases of materials, supplies, services, equipment, and property on behalf of the Division, with the exception of advertising, media, and media production, the price consideration of which exceeds five thousand dollars (\$5,000.00) on the basis of sealed bids, considering the unique nature of the Division procurement, such bids to be submitted, opened, and considered in public. All invitations to bid issued by the Division shall be listed on the Rhode Island Division of Purchases via the internet. The invitation for bids shall state whether award shall be made on the basis of the lowest bid price or the lowest evaluated or responsive bid price. If the latter basis is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids, if available. Provided, however, the Procurement Officer is hereby authorized to extend an existing contract for periods of time not to exceed the initial terms if the public interest will best be served thereby.
  - b. Issue regulations permitting or requiring the insertion, in contracts for the procurement of supplies or services, of appropriate clauses to enable the Procurement Officer to effect desired changes, modifications, and extensions to such contracts.
  - c. Ensure before a contract or contract extension is entered into that there exists sufficient funding to pay the cost thereof.
  - d. Reject any or all bids submitted to the Procurement Officer or extend an existing contract for a specific purpose if the Procurement Officer considers that the public interest will be best served thereby.
6. The requirement for competitive bidding may be dispensed with to allow emergency purchases upon the recommendation of the Procurement Officer.
7. The Procurement Officer, in the best interest of the Division, in his/her discretion, may use the State Purchasing Department or may act independently in purchasing materials or services.

## **CHAPTER NINETEEN**

### **MULTI-STATE LOTTERY ASSOCIATION RULES**

#### **POWERBALL®**

##### **19.1 DEFINITIONS**

- A. The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group.
1. “Advertised Grand Prize” means the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize Drawing. The “Advertised Grand Prize” is not a guaranteed prize amount, and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described herein.
  2. “Computer Pick” or “Quick Pick” means the random selection of two-digit (2) numbers by the computer that appear on a Ticket or Ticketless Transaction and are played by a player in the Game.
  3. “Drawing” refers collectively to the formal draw event for randomly selecting the Winning Numbers, which determine the number of winners for each prize level of the Powerball® Game and the Powerplay® multiplier.
  4. “Game Board” or “Boards” means that area of the Play Slip which contains sets of numbered squares to be marked by the player.
  5. “Game Ticket” or “Ticket” means an acceptable evidence of Play, which is a Ticket produced in a manner that meets the specifications defined in the rules of each Selling Lottery and is a physical representation of the Play or Plays sold to the player or is a properly and validly registered Ticketless Transaction Play.
  6. “Jackpot” or “Grand Prize” means the top prize of the Powerball® Game.
  7. “Licensee Lottery” means a state lottery or lottery of a governmental unit, political subdivision or entity thereof which is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by the MUSL and by the Powerball® Product Group to sell the Powerball® Game.

8. "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
9. "MUSL Annuity Factor" shall mean the annuity factor as determined by the MUSL Central Office through a method approved by the MUSL Finance and Audit Committee and which is used as described herein.
10. "MUSL Board" means the governing body of the MUSL, which is comprised of the chief executive officer of each Party Lottery.
11. "MWAP" means the Multi-Jurisdiction Wide-Area Progressive Game" multi-jurisdiction progressive grand prize (jackpot) game offered in conjunction with a base Video Lottery game administered by the MUSL Video Lottery Game Group (VLGG).
12. "On-Line Lottery Game" means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.
13. "Party Lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity which has joined the MUSL and, in the context of these Product Group Rules, is authorized to sell the Powerball® Game. Unless otherwise indicated, "Party Lottery" or "Member Lottery" does not include "Licensee Lotteries".
14. "Play" or "Bet" means the six (6) numbers, the first five (5) from a field of sixty-nine (69) and the last one (1) from a field of twenty-six (26) numbers that appear on a Ticket or communicated in a Ticketless Transaction as a single lettered selection and are to be played by a player in the Powerball® Game.
15. "Play Slip" or "Bet Slip" means a card used in marking a player's Game Plays and containing one or more boards.
16. "Product Group" or the "Group" means a group of lotteries, which has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group's own rules.
17. "Retailer" means a person or entity authorized by a Selling Lottery to sell lottery Plays.
18. "Selling Lottery" shall mean a lottery authorized by the Product Group to sell Powerball® Plays including Party Lotteries and Licensee Lotteries.

19. "Set Prize" also referred to as "low-tier prize" means all other prizes, except the Grand Prize, and, except in instances outlined in these Rules, will be equal to the prize amount established by the MUSL Board for the prize level.
20. "Terminal" means a device authorized by a Selling Lottery to function in an on-line interactive mode with the gaming computer system for the purpose of issuing lottery Tickets and entering, receiving, and processing lottery transactions, including purchases, validating Tickets, and transmitting reports.
21. "Ticketless Transaction" shall include all Plays sold through subscription, internet, or non-standard Terminals.
22. "Winning Numbers" means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a field of twenty-six (26) numbers, randomly selected at each Drawing, which shall be used to determine winning Plays for the Powerball® Game contained on a Game Ticket or Ticketless Transaction.

## **19.2 GAME DESCRIPTION**

- A. Powerball® is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) On-Line Lottery Game, drawn every Wednesday and Saturday as part of the Powerball® Drawing event, which pays the Grand Prize, at the election of the player made in accordance with these Rules or by a default election made in accordance with these Rules, either on an annuitized pari-mutuel basis or as a cash lump sum payment of the total funding held in the Grand Prize Pool for the winning Drawing on a pari-mutuel basis. Except as provided in these Rules, all other prizes are paid on a single payment basis. Powerball® Winning Numbers applicable to determine Powerball® prizes will be determined in the Powerball® Drawing event.
- B. To play Powerball®, a player shall select, or Computer Pick, five (5) different numbers, between one (1) and sixty-nine (69) and one (1) additional number between one (1) and twenty-six (26). The additional number may be the same as one of the first five (5) numbers selected by the player.
- C. Plays can be purchased for two dollars (\$2.00), including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a Play. Plays may be purchased from a Selling Lottery's approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules.
- D. A Selling Lottery may offer Plays through discounts, rebates, or promotions, without Group approval, for a period not to exceed ninety (90)

days in any six (6) month period. A Selling Lottery may offer other discounts, rebates, or promotions, as may be approved by the Group.

- E. Nothing in this rule shall prohibit a Selling Lottery from offering Plays as a prize in any other non-MUSL game or promotion operated by the Selling Lottery.
- F. Selling Lotteries that offer Plays as a prize or as part of an authorized discount, promotion, or rebate shall contribute to the prize pool the full amount assessed for a Play sold at the uniform price.

### **19.3 CLAIMS**

- A. Unless otherwise permitted by a Selling Lottery, a Ticket, subject to the validation requirements set forth in these Rules, or properly registered Ticketless Transaction shall be the only proof of a Game Play or Plays. The submission of a winning Ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a prize or prizes.
- B. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected. A Terminal-produced paper receipt, has no pecuniary or prize value and shall not constitute evidence of a Play purchase or of numbers selected.

### **19.4 CANCELLATIONS PROHIBITED**

- A. A Play may not be voided or canceled by returning the Ticket or the Ticketless Transaction to the Retailer or to the Lottery, including Tickets that are printed in error. No Ticket, which can be used to claim a prize, shall be returned to the Lottery for credit. Tickets accepted by Retailers as returned Plays and which cannot be re-sold shall be deemed owned by the bearer thereof.

### **19.5 PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the player to verify the accuracy of the Game Play or Plays and other data printed on the Ticket or contained in a Ticketless Transaction. The placing of Plays is done at the player's own risk through the on-line Retailer, who is acting on behalf of the player in entering the Play or Plays.

### **19.6 ENTRY OF PLAYS**

- A. Plays may only be entered manually using the Lottery Terminal keypad or touch screen, or by means of a Play Slip provided by the Selling Lottery and hand-marked by the player, or by other such means approved by the Selling Lottery.

- B. Retailers shall not permit the use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Selling Lottery.
- C. Retailers shall not permit any device to be connected to a Selling Lottery Terminal to enter Plays, except as approved by the Selling Lottery.
- D. Subscription and Ticketless Transaction Plays may be registered by the Lottery at a Lottery processing site which meets the requirements established by the Product Group and the Security and Integrity Committee.

#### **19.7 GRAND PRIZE ACCOUNT-TRANSFER OF FUNDS**

- A. Each Party Lottery shall transfer to the MUSL in trust an amount as determined by the MUSL and the Product Group to be its total proportionate share of the prize account, less actual low-tier prize liability. If this results in a negative amount, the MUSL Central Office shall transfer funds to the Party Lottery.
- B. If a Party Lottery's share exceeds its statutorily-mandated prize payout, the MUSL may adjust the transfer amounts over a period of time to permit the payment of the Party Lottery's full share in a manner complying with the Party Lottery's prize payout statute.
- C. Funds shall be collected from each Party Lottery and Licensee Lottery weekly by wire transfer, electronic funds transfer, or other means acceptable to the Product Group. The amount to be transferred shall be calculated in accordance with Game rules. The Product Group shall determine collection days.
- D. Proceeds from advance sales may be held by the Party Lottery until the draw date for which the Play applies.
- E. Grand Prize amounts held by MUSL shall be transferred to the Selling Lottery immediately after the Selling Lottery validates the prize claim and after MUSL has collected the prize pool shares from all member lotteries.
- F. All funds to pay a Grand Prize that go unclaimed shall be returned to Selling Lotteries in proportion to sales by Selling Lotteries for the Grand Prize in question after the claiming period set by the Selling Lottery selling the winning Ticket expires.

#### **19.8 POWERBALL® PRIZE POOL**

- A. The prize pool for all prize categories shall consist of fifty percent (50%) of each Drawing period's sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Play, after

the Prize Pool Accounts and Prize Reserve Accounts are funded to the amounts set by the Members of the Product Group in accordance with jurisdiction statute.

- B. Any amount remaining in the prize pool at the end of this Game shall be returned to all lotteries participating in the prize pool after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction statute.

#### **19.9 POWERBALL® PRIZE POOL ACCOUNT AND PRIZE RESERVE ACCOUNT**

- A. An amount equal to up to five percent (5%) of a Party Lottery's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery Play, shall be deducted from a Party Lottery's Grand Prize Pool contribution and placed in trust in one or more Powerball® Prize Pool Accounts held by the Product Group at any time that the Prize Pool Accounts and Party Lottery's share of the Prize Reserve Account(s) is below the amounts designated by the Product Group.
- B. The Product Group has established the following Prize Reserve Accounts for the Powerball® Game: The Powerball® Prize Reserve Account, which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason; and the Powerball® Set Prize Reserve Account, which is used to fund deficiencies in low-tier Powerball® prize payments, subject to the limitations in these Rules.
- C. The Product Group has established the following Prize Pool Accounts for the Powerball® Game: the Grand Prize Pool, which is used to fund the immediate Grand Prize, the Powerball® Set Prize Pool, which is used to fund the Powerball® Set Prize payments, and the Powerball® Set-Aside Account, which is used to guarantee payment of the minimum or starting Grand Prize. The Powerplay® Prize Pool and Powerplay® Pool Account are described in these Rules. The Set Prize Pool holds the temporary balances that may result from having fewer than expected winners in the Powerball® Set Prize (aka low-tier prize) categories, and the source of the Set Prize Pool is the Party Lottery's weekly prize contributions less actual Powerball® Set Prize liability. The source of the Set-Aside Account funding shall be the prize reserve deduction until such time as the Set-Aside Account is fully funded. Once the Powerball® Prize Pool Accounts and the Party Lottery's share of the Powerball® Prize Reserve Accounts exceeds the designated amounts, the excess shall become part of the Grand Prize Pool.
- D. The Product Group, with approval of the Finance and Audit Committee, may establish a maximum balance for the Powerball® Prize Pool Accounts and Prize Reserve Account(s). The Product Group may determine to expend all or a portion of the funds in the Powerball® Prize Pool Accounts (except



the Grand Prize Pool Account) and the Prize Reserve Accounts for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries, subject to the approval of the Board; and for the payment of prizes or special prizes in the Game, limited to Prize Pool and Prize Reserve contributions from lotteries participating in the special prize promotion following review and comment of the Finance and Audit Committee.

- E. The Prize Reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the Prize Reserve Account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries.
- F. A Party Lottery may contribute to its share of Prize Reserve Accounts over time, but in the event of a draw down from the Reserve Account, a Party Lottery is responsible for its full percentage share of the account, whether or not it has been paid in full.
- G. Any amount remaining in the Powerball® Prize Pool Accounts or Prize Reserve Accounts when the Product Group declares the end of this Game shall be returned to the lotteries participating after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

**19.10 EXPECTED PRIZE PAYOUT PERCENTAGES**

- A. The Grand Prize shall be determined on a pari-mutuel basis. Except as provided for in these Rules, all other prizes awarded shall be paid as set cash prizes with the following expected prize payout percentages:

<b><u>Number of Matches Per Play</u></b>	<b><u>Prize Payment</u></b>	<b><u>Prize Pool% Allocated to Prize</u></b>
5+1	Grand Prize	68.0131%
5+0	\$1,000,000	8.5558%
4+1	\$50,000	5.4757%
4+0	\$100	0.2738%
3+1	\$100	0.6899%
3+0	\$7	0.2074%
2+1	\$7	0.9981%
1+1	\$4	4.3489%
0+1	\$4	10.4373%

- B. The prize money allocated to the Grand Prize category shall be divided equally by the number of Plays winning the Grand Prize.

- C. For Party Lotteries, the Prize Pool percentage allocated to the Powerball® Set Prizes pool (the cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball® Set Prizes awarded in the current draw.
- D. If the total of the Powerball® Set Prizes (as multiplied by the respective Powerplay® multiplier if applicable) awarded in a Drawing exceeds the percentage of the Prize Pool allocated to the Powerball® Set Prizes, then the amount needed to fund the Powerball® Set Prizes awarded, including Powerplay® prizes, shall be drawn from the following sources, in the following order:
1. First, the amount allocated to the Powerball® Set Prizes and carried forward from previous draws, if any;
  2. Then, an amount from the Set Prize Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per Drawing; and
  3. Other amounts as agreed to by the Product Group in their sole discretion.
- E. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Powerplay® prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize.
- F. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning plays in proportion to their respective prize percentages. Powerball® Set Prizes and Powerplay® prizes will be reduced by the same percentage.
- G. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the Game at the lesser of the independently-calculated prize amounts.

#### **19.11 PROBABILITY OF WINNING POWERBALL® PRIZES**

- A. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the

total number of possible combinations in Powerball®. The Set Prize amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction’s statute or judicial requirements.

<b><u>Matches Per Ticket</u></b>	<b><u>Probability Winners</u></b>	<b><u>Distribution Probability</u></b>	<b><u>Probable/Set Prize Amount</u></b>
5+1	1	1:292,201,338.0000	Grand Prize
5+0	25	1:11,688,053.5200	\$1,000,000
4+1	320	1:13,129.1813	\$50,000
4+0	8,000	1:36,525.1673	\$100
3+1	20,160	1:14,494.1140	\$100
3+0	504,000	1:579.7646	\$7
2+1	416,640	1:701.3281	\$7
1+1	3,176,880	1:91.9775	\$4
0+1	7,624.512	1:38.3239	\$4
Overall	11,750,538	1:24.8671	

#### **19.12 PRIZE PAYMENT**

- A. Grand Prizes shall be paid at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize.
- B. An election for an annuity payment made by a player before Ticket purchase or by system default or design may be changed to a cash payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize.
- C. The election to take the cash payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.
- D. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all winning Plays of the Grand Prize. Winner(s) who elect a cash payment shall be paid their share(s) in a single cash payment. The annuitized option prize shall be determined by multiplying a winner’s share of the Grand Prize Pool by the MUSL Annuity Factor. The MUSL Annuity Factor is determined by the best total securities price obtained through a process as approved by the Finance and Audit Committee.

- E. Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL. In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to these Rules. If individual shares of the cash held to fund an annuity are less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize Pool.
- F. All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in cash followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a Selling Lottery's governing statute, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000.00).
- G. Annual payments after the initial payment shall be made by the Selling Lottery on the anniversary date, or if such date falls on a non-business day, then the first business day following the anniversary date, of the selection of the Grand Prize Winning Numbers. Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Selling Lottery no earlier than the fifteenth (15<sup>th</sup>) calendar day (or the next banking day if the fifteenth (15<sup>th</sup>) day is a holiday) following the Drawing.
- H. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the Prize Pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Selling Lotteries
- I. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL. If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.
- J. In the event of the death of a lottery winner during the annuity payment period, the MUSL Finance and Audit Committee, in its sole discretion, excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed

to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance and Audit Committee or the Product Group.

**19.13 POWERBALL® LOW-TIER PRIZES**

- A. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Selling Lottery, which sold the winning Ticket(s). A Selling Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL Central Office.
- B. If a Selling Lottery, due to jurisdictional law requirements, separately determines its low-tier cash prize amounts, it shall be solely responsible for its low-tier cash prize liability, and may begin paying low-tier cash prizes after a Drawing when it determines appropriate to do so.

**19.14 POWERBALL® PRIZES ROUNDED**

- A. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize under these Rules may become single-payment, pari-mutuel prizes, or may be rounded down so that prizes can be paid in multiples of whole dollars.
- B. Except with regards to low-tier cash prizes paid by a Selling Lottery, which separately determines its low-tier cash prize amounts pursuant to these Rules, breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

**19.15 POWERBALL® PRIZE ROLLOVER**

- A. If the Grand Prize is not won in a Drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following Drawing.

**19.16 FUNDING OF GUARANTEED POWERBALL® PRIZES**

- A. The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between Drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the Game.
- B. If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between Drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:

1. If there are multiple Grand Prize winners during a single Drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning Plays.
2. If there are multiple Grand Prize winners during a single Drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the best bid submitted by MUSL's pre-approved qualified brokers shall determine the cash pool needed to fund the guaranteed annuitized Grand Prize.
3. If no winner of the Grand Prize during a single Drawing has elected the annuitized option prize, then the amount of cash in the Grand Prize Pool shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor. Changes in the allocation of prize money shall be designed to retain approximately the same prize allocation percentages, over a year's time, set out in these Rules.
4. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in these Rules becomes necessary.
5. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. Any reduction in the guaranteed minimum Grand Prize amount or reduction in the minimum increases to the Grand Prize amount shall not become effective until after a Grand Prize win following the action taken by the Group.

**19.17 LIMITED TO HIGHEST POWERBALL® PRIZE WON**

- A. The holder of a winning Play may win only one (1) prize per Play in connection with the Winning Numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

**19.18 POWERBALL® PRIZE CLAIM PERIOD**

- A. Prize claims shall be submitted within the period set by the Selling Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the Drawing date.

### **19.19 TICKET VALIDATION**

- A. To be a valid Play and eligible to receive a prize, a Play's Ticket or Ticketless Transaction shall satisfy all the requirements established by a Selling Lottery for validation of winning Plays sold through its on-line system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards.
- B. The MUSL and the Selling Lotteries shall not be responsible for Tickets or Ticketless Transactions that are altered in any manner.

### **19.20 TICKET RESPONSIBILITY**

- A. Prize claim procedures shall be governed by the rules of the Selling Lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the Selling Lottery.
- B. Until such time as a signature, or if permitted by state or district law, a mark or printed name, is placed on a Ticket in the area designated for signature, mark, or name, a Ticket shall be owned by the bearer of the Ticket.
- C. When a signature, mark, or name is placed on the Ticket in the place designated, the person who has registered the Ticket, or if not registered, whose signature, mark, or name appears in such area, shall be the owner of the Ticket and shall be entitled (subject to the validation requirements listed in these Rules, and state, district, or jurisdiction statute) to any prize attributable thereto.
- D. The manner of payment of prizes for valid winning Tickets bearing multiple signatures, marks, or names shall be determined by the rules of the Party Lottery making the prize payment.
- E. The Product Group, the MUSL, and the Party Lotteries shall not be responsible for lost or stolen Tickets.
- F. A receipt for a Ticketless Transaction Play has no value and is not evidence of a Play. A Ticketless Transaction Play is valid when registered with the lottery in accordance with lottery rules, and the person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction Play.

### **19.21 INELIGIBLE PLAYERS**

- A. A Play or share for a MUSL Game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:
  - 1. A MUSL employee, officer, or director;
  - 2. A contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
  - 3. An employee of an independent accounting firm under contract with MUSL to observe Drawings or site operations and actually assigned to the MUSL account, and all partners, shareholders, or owners in the local office of the firm;
  - 4. An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described above and residing in the same household;
  - 5. Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the MUSL Game.

### **19.22 APPLICABLE LAW**

- A. In purchasing a Play, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Lottery where the Play was purchased.

### **19.23 SPECIAL GAME RULES-POWERBALL® POWERPLAY® PROMOTION**

- A. The Powerball® Powerplay® promotion is a limited extension of the Powerball® Game and is conducted in accordance with the Powerball® Game rules and other lottery rules applicable to the Powerball® Game except as may be amended herein. The promotion will begin at a time announced by the Selling Lottery and will continue until discontinued by the Lottery.
- B. The promotion will offer to the owners of a qualifying Play a chance to multiply or increase the amount of any of the eight (8) lump sum Set Prizes (the lump sum prizes normally paying four dollars (\$4.00) to one million dollars (\$1,000,000.00)) won in a Drawing held during the promotion. The Grand Prize is not a Set Prize and will not be multiplied or increased.
- C. A qualifying Play is any single Powerball® Play for which the player pays an extra dollar for the Powerplay® option Play and which is recorded at the Selling Lottery's central computer as a qualifying Play.



- D. Except as provided in these Rules, a qualifying Play, which wins one (1) of seven (7) lowest Set Prizes (excluding the Match 5+0 prize), will be multiplied by the number selected, either two (2), three (3), four (4), five (5), or sometimes ten (10) in a separate random Powerplay® Drawing announced during the official Powerball® Drawing show. The announced Match 5+0 prize, for players selecting the Powerplay® option, shall be paid two million dollars (\$2,000,000.00), unless a higher, limited promotional dollar amount is announced by the Group.
- E. MUSL will conduct a separate random Powerplay® Drawing and announce results during each of the regular Powerball® Drawings held during the promotion. During each Powerball® Drawing, a single number two (2), three (3), four (4), or five (5), shall be drawn. The ten multiplier (10X) will be available for Drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000.00) or less. The amount of Match 5+0 prize, for players selecting the Powerplay® shall be two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Group.
- F. As set forth in these Rules, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes. In Drawings where the ten multiplier (10X) is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths percent (49.969%) of each Drawing period's sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Ticket. In Drawings where the ten multiplier (10X) is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths percent (45.934%) of each Drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Ticket. The prize payout percentage per draw may vary. The Powerplay® prize pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerplay® prizes awarded in the current draw and held in the Powerplay® Pool Account.
- G. In Drawings where the ten multiplier (10X) is available, an additional thirty-one thousandths percent (0.031%) of sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery Ticket, may be collected and placed in trust in the Powerplay® Pool Account, for the purpose of paying Powerplay® prizes. In Drawings where the ten multiplier (10X) is not available, four and sixty-six thousandths percent (4.066%) of sales, including any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Ticket, may be collected and placed in trust in the Powerplay® Pool Account, for the purpose of paying Powerplay® prizes. Any amount remaining in the Powerplay® Pool Account at the end of this Game shall be returned to all lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement

game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction statute.

- H. Except as provided in these Rules, all prizes awarded shall be paid as lump sum Set Prizes. Instead of the Powerball® Set Prize amounts, qualifying Powerplay® Plays will pay the amounts shown below. In certain rare instances, the Powerball® Set Prize amount may be less than the amount shown. In such case, the eight (8) lowest Powerplay® prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball® Set Prize amount of fifty thousand dollars (\$50,000.00) becomes twenty-five thousand dollars (\$25,000.00) under the rules of the Powerball® Game and a five multiplier (5X) Powerplay® is selected, then a Powerplay® player winning that prize amount would win one hundred twenty-five thousand dollars (\$125,000.00).

<u>Match</u>	<u>Prize</u>	<u>5X</u>	<u>4X</u>	<u>3X</u>	<u>2X</u>
5+0	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
4+1	\$50,000	\$250,000	\$200,000	\$150,000	\$100,000
4+0	\$100	\$500	\$400	\$300	\$200
3+1	\$100	\$500	\$400	\$300	\$200
3+0	\$7	\$35	\$28	\$21	\$14
2+1	\$7	\$35	\$28	\$21	\$14
1+1	\$4	\$20	\$16	\$12	\$8
0+1	\$4	\$20	\$16	\$12	\$8

On advertised annuity jackpots of one hundred fifty million dollars (\$150,000,000.00) or less, the ten multiplier (10X) shall be available.

<u>Match</u>	<u>Prize</u>	<u>10X</u>
5+0	\$1,000,000	\$2,000,000
4+1	\$50,000	\$500,000
4+0	\$100	\$1,000
3+1	\$100	\$1,000
3+0	\$7	\$70
2+1	\$7	\$70
1+1	\$4	\$40
0+1	\$4	\$40

- I. The following table sets forth the probability of the various Powerplay® numbers being drawn during a single Powerball® Drawing, except that the Powerplay® amount for the Match 5+0 prize will be two million dollars (\$2,000,000.00).

<b>10X Available</b>		<b>10X Not Available</b>	
<b><u>Powerplay®</u></b>	<b><u>Probability</u></b>	<b><u>Powerplay®</u></b>	<b><u>Probability</u></b>
10X	1:43	10X	0:42
5X	2:43	5X	2:42
4X	3:43	4X	3:42
3X	13:43	3X	13:42
2X	24:43	2X	24:42

- J. The Group may elect to run limited promotions that may modify the multiplier feature.
- K. Powerplay® does not apply to the Powerball® Grand Prize. Except as provided in these Rules, a Powerplay® Match 5+0 prize is set at two million dollars (\$2,000,000.00), regardless of the multiplier selected.
- L. For Party Lotteries, the prize pool percentage allocated to the Powerplay® Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.
- M. For Party Lotteries, if the total of the original Powerball® Set Prizes and the Powerplay® Set Prizes awarded in a Drawing exceeds the percentage of the prize pools allocated to the Set Prizes, then the amount needed to fund the Set Prizes (including the Powerplay® prize amounts) awarded shall be drawn from the following sources, in the following order:
1. First, the amount allocated to the Set Prizes and carried forward from previous draws, if any;
  2. Then, an amount from the Powerball® Set Prize Reserve Account, if available in the account, not to exceed forty million dollars (\$40,000,000.00) per Drawing; and
  3. Other amounts as agreed to by the Product Group in their sole discretion.
- N. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Powerplay® prize amounts), then the highest Set Prize (including the Powerplay® prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including the Powerplay® prize amounts, shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning Plays in proportion to their respective prize percentages.

- O. By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Powerplay® prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the Game at the lesser of the independently-calculated prize amounts.
- P. All Powerplay® prizes shall be paid in one lump sum through the Selling Lottery that sold the winning Ticket(s). A Selling Lottery may begin paying Powerplay® prizes after receiving authorization to pay from the MUSL Central Office.
- Q. Prizes which, under these Rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next Drawing.

## **MEGA MILLIONS®**

### **19.24 DEFINITIONS**

- A. The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Product Group.
  - 1. “Computer Pick” or “Quick Pick” means the random selection of two (2) digit numbers by the computer system and which appear on a ticket and are played by a player in the game.
  - 2. “Drawing” means the formal process of selecting winning numbers, which determine the number of winners for each prize level of the game.
  - 3. “Game Board” or “Boards” means that area of the Play Slip which contains two (2) sets of numbered squares to be marked by the player, one (1) set containing seventy (70) squares, numbers one (1) through seventy (70), and the second set containing twenty-five (25) squares, numbers one (1) through twenty-five (25).
  - 4. “Game Ticket” or “Ticket” means an acceptable evidence of Play, which is a ticket produced by a Terminal which meets the specifications defined in the rules of each Party Lottery or is a properly and validly registered subscription Play.
  - 5. “Jackpot” or “Grand Prize” means the top prize of the Mega Millions® game. The annuity Grand Prize is an amount that

would be paid in thirty (30) graduated annual installments, with the annual payments increasing by five percent (5%) each year.

6. “Mega Millions® Finance Committee” means a Committee of the Mega Millions® Lotteries that determines the Grand Prize Jackpot amount (cash value option and annuity).
7. “Mega Millions® Lottery or Lotteries” means those Lotteries that have joined under the Mega Millions® Lottery Agreement; the group of Lotteries that has reached a Cross Selling Agreement with this MUSL Product Group for the selling of the Mega Millions® Game.
8. “Megaplier®” shall refer to the Megaplier® promotion described in these Rules.
9. “MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
10. “MUSL Board” means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.
11. “On-Line Lottery Game” means a Lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.
12. “Participating Lottery” or “Selling Lottery” means a state Lottery or Lottery of a political subdivision or entity that is participating in selling the Mega Millions® game and that may be a member of MUSL or the Mega Millions® Lotteries.
13. “Party Lottery” means a state Lottery or Lottery of a political subdivision or entity, which has joined the MUSL and, in the context of these Product Group Rules, has joined in selling the games offered by the MUSL Mega Millions® Product Group.
14. “Play” or “Bet” means the six (6) numbers, the first five (5) from a field of seventy (70) and the last one (1) from a field of twenty-five (25) numbers that appear on a ticket as a single lettered selection and are to be played by a player in the game. Each Play is played separately in determining matches to winning numbers and prize amounts.
15. “Play Slip” or “Bet Slip” means a card used in marking a player’s game Plays and containing one or more Boards.

16. “Product Group” means a group of Lotteries that has joined together to offer the Mega Millions® Lottery game pursuant to the terms of the Cross-Selling Agreement with the Mega Millions® Lotteries, the Multi-State Lottery Agreement, and the Group’s own rules.
17. “Retailer” means a person or entity authorized by a Party Lottery to sell Lottery tickets.
18. “Set Prize”, also referred to as “low-tier prize”, means all other prizes except the Grand Prize that are advertised to be paid by a single cash payment and, except in instances outlined in these Rules, will be equal to the prize amount established by the MUSL Board for the prize level.
19. “Terminal” means a device authorized by a Party Lottery to function in an on-line, interactive mode with the Lottery’s computer system for the purpose of issuing Lottery tickets and entering, receiving, and processing Lottery transactions, including purchases, validating tickets, and transmitting reports.
20. “Winning Numbers” means the six (6) numbers, the first five (5) from a field of seventy (70) and the last one (1) from a field of twenty-five (25) numbers, randomly selected at each drawing, that shall be used to determine winning Plays contained on a game ticket.

#### **19.25 GAME DESCRIPTION**

- A. Mega Millions® is a five (5) out of seventy (70) plus one (1) out of twenty-five (25) On-Line Lottery Game, drawn on the day(s), time(s), and location(s) as determined by the Mega Millions® Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with these Rules or by a default election made in accordance with these Rules, either on a graduated annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions® Finance Committee on a pari-mutuel basis. Except as provided in these Rules, all other prizes are paid on a set cash basis.
- B. To play Mega Millions®, a player shall select (or computer pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25) for input into a Terminal. The additional number may be the same as one (1) of the first five (5) numbers selected by the player. The player may select a set of five (5) numbers and one (1) additional number by communicating the six (6) numbers to the Retailer or by marking six (6) numbered squares in any one (1) Game Board on a Play Slip and submitting the Play Slip to the

Retailer or by requesting a “Quick Pick” from the Retailer. The Retailer will then issue a ticket. Tickets can be purchased from a player-activated Terminal by use of a touch screen or by inserting a Play Slip into the machine. Tickets may also be purchased through a Lottery ticketless transaction process system where allowed.

#### **19.26 PRICE AND SALE OF TICKETS**

- A. Mega Millions® tickets can be purchased for two dollars (\$2.00) including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Lottery Play.
- B. A Party Lottery may offer tickets through discounts, rebates, or promotions, without Product Group approval, for a period not to exceed ninety (90) days in any six (6) month period, as long as the full prize share is paid to the Product Group, without discount, and after a notice advising all Group members of the terms and dates of the offering.
- C. Nothing in this Rule shall prohibit a Party Lottery from offering tickets as a prize in any other non-MUSL game or promotion operated by the Party Lottery after advising all Group members of the terms and dates of the offering. A Selling Lottery may offer other discounts, rebates, or promotions as may be approved by the Product Group.
- D. Party Lotteries that offer tickets as a prize or as part of an authorized discount, promotion, or rebate shall contribute to the Prize Pool the full amount assessed for a ticket sold at the uniform price.
- E. No Party Lottery shall directly and knowingly sell a Play or combination of Plays to any person or entity that would guarantee such purchaser a Grand Prize win.

#### **19.27 CLAIMS**

- A. A ticket (subject to the validation requirements set forth in these Rules) shall be the only proof of a game Play or Plays, and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A Terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

#### **19.28 CANCELLATIONS PROHIBITED**

- A. A ticket may not be voided or canceled by returning the ticket to the selling Retailer or to the Lottery, including tickets that are printed in error. No ticket, which can be used to claim a prize, shall be returned to the Lottery

for credit. Tickets accepted by Retailers as returned tickets and which cannot be re-sold shall be deemed owned by the bearer thereof.

### **19.29 PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket. The placing of Plays is done at the player's own risk through the on-line Retailer, who is acting on behalf of the player in entering the Play or Plays.

### **19.30 ENTRY OF PLAYS**

- A. Plays may only be entered manually using the Lottery Terminal keypad or touch screen or by means of a Play Slip provided by the Party Lottery and hand-marked by the player, or by other such means approved by the Party Lottery.
- B. Retailers shall not permit the use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Party Lottery.
- C. Retailers shall not permit any device to be physically or wirelessly connected to a Party Lottery Terminal to enter Plays, except as approved by the Party Lottery.
- D. Ticketless transaction Plays may be registered by the Lottery at a Lottery processing site which meets the requirements established by the Product Group and the MUSL Board.

### **19.31 MAXIMUM PURCHASE**

- A. Except for subscription Play purchase, the maximum number of consecutive drawings on a single ticket purchase is twenty-six (26). The maximum number of consecutive drawings encompassed by a subscription Play purchase is one hundred four (104).
- B. In the event of a matrix change, the Party Lottery that issued the subscription will determine the option(s) available to subscription purchasers from that Party Lottery for the balance of Plays remaining on their subscriptions effective as of the date of the matrix change.
- C. Except as provided for in these Rules, game Play information for a subscription may be edited by a Party Lottery only when an error in the numbers entered has been identified, a change in the frequency of drawings occurs, or a change in the game matrix occurs. A subscription may be edited to correct an error in the numbers entered before the time of the first drawing for which the subscription is effective. Liability for any number entered in error is limited to the Party Lottery that entered



the number in error. For a change in the game matrix, or for errors in the numbers entered that are identified after the first drawing under the subscription, the Party Lottery may correct the subscription game Play prospectively for the remaining number of draws on the subscription. The only other condition under which subscription game Play may be edited is to correct the subscription end date if there is a change in the frequency of Mega Millions® drawings.

### **19.32 PRIZE POOL ACCOUNTS AND PRIZE RESERVE ACCOUNTS**

- A. The Prize Pool for all prize categories offered by the Party Lotteries shall consist of up to fifty-one percent (51%) of each drawing period's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Mega Millions® ticket, and inclusive of contributions to the Prize Pool Accounts and the Prize Reserve Accounts, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed annuity Grand Prize as may be required in these Rules. Any amount remaining in the Prize Pool or Reserves and set aside for the Party Lotteries at the end of the game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with jurisdiction law.
- B. The Product Group has established the Prize Pool accounts for the Mega Millions® game. The Grand Prize Pool, which is used to fund the immediate Grand Prize. The Set-Aside Pool, which is used to fund the payment of the awarded minimum starting annuity Grand Prize and the minimum annuity Grand Prize increase, if necessary, as may be set by the Product Group. The source of the Set-Aside Pool funding shall accumulate from the difference between the amount in the Grand Prize Pool at the time of a Grand Prize win and the amount needed to fund Grand Prize payments as determined by the Mega Millions® Lotteries. The Set Prize Pool is used to fund the Set Prizes. The Set Prize Pool shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (Low-Tier Prize) categories. The source of the Set Prize Pool is the Party Lottery's weekly prize contributions less actual Set Prize liability.
- C. The Prize Reserve Account is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason, to fund deficiencies in the Set-Aside Pool, and to fund pari-mutuel prize deficiencies as defined and limited in these Rules
- D. The Product Group shall set maximum balance amounts or balance limiter triggers for the Prize Pool Accounts and Prize Reserve Account, which are subject to review by the MUSL Board Finance and Audit Committee.
- E. The Product Group may determine to expend all or a portion of the funds in the Prize Pool Accounts (except the Grand Prize Pool Account) and the

Prize Reserve Accounts (1) for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries, and (2) for the payment of prizes or special prizes in the game; limited to the Prize Pool and Prize Reserve contributions from Lotteries participating in the special prize promotion, subject to the approval of the Board's Finance and Audit Committee or that Committee's failure to object after being given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

- F. The Prize Reserve share of a Party Lottery may be adjusted with refunds to the Party Lottery from the Prize Reserve Account as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. Any amount remaining in the Prize Pool Accounts or Prize Reserve Account at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction law.

### **19.33 GRAND PRIZE ACCOUNT**

- A. The contribution rate to the Grand Prize Pool shall be 37.6506% of sales. Each Party Lottery shall transfer to the MUSL in trust an amount as determined by the MUSL and the Product Group to be its total proportionate share of the Mega Millions® prize pool less actual Mega Millions® low-tier prize liability. If this results in a negative amount, the MUSL central office shall transfer funds to the Party Lottery. If a Party Lottery's share exceeds its statutorily-mandated prize payout, the MUSL may adjust the transfer amounts over a period of time to permit the payment of the Party Lottery's full share in a manner complying with the Party Lottery's prize payout laws. In the event of a win at a MUSL Lottery, the Mega Millions® Clearinghouse shall collect the total proportionate share of the Grand Prize Pool from the Mega Millions® Lotteries and shall transfer that amount to MUSL within fifteen (15) calendar days from the date of the winning draw.
- B. Grand Prize amounts held by MUSL shall be transferred to a Lottery having a winner in the Mega Millions® game on a schedule approved by the Product Group and after MUSL has collected the Prize Pool shares from all participating Lotteries selling the Mega Millions® game.

### **19.34 PRIZE RESERVE ACCOUNT**

- A. An amount up to one percent (1%) of a Party Lottery's sales, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Lottery ticket, shall be added to a Party Lottery's Grand Prize Pool contribution and placed in trust in one (1) or more Prize Pool accounts and Prize Reserve Accounts held by the Product Group at any time that the Prize Pool accounts and Party Lottery's share of the Prize Reserve Account(s) is below the amounts designated by the Product Group.

**19.35 EXPECTED PRIZE PAYOUT PERCENTAGES**

- A. The Grand Prize shall be determined on a pari-mutuel basis. Except as provided in these Rules all other prizes awarded shall be paid as set cash prizes with the following expected prize payout percentages, which do not include an additional amount contributed to or held in Prize Reserves, although the prize payout percentages per draw may vary:

<b><u>Number of Matches Per Play</u></b>	<b><u>Prize Payment</u></b>	<b><u>Prize Pool% Allocated to Prize</u></b>
5+1	Grand Prize	75.3018%
5+0	\$1,000,000	7.9319%
4+1	\$10,000	1.0742%
4+0	\$500	1.2889%
3+1	\$200	1.3749%
3+0	\$10	1.6498%
2+1	\$10	1.4436%
1+1	\$4	4.4752%
0+1	\$2	5.4597%

- B. The Grand Prize amount shall be divided equally by the number of Plays winning the Grand Prize.
- C. The Set Prize Pool percentage allocated to the Set Prizes (the cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw.

**19.36 PARI-MUTUEL PRIZE DETERMINATIONS**

- A. Except as otherwise provided for in these Rules, if the total of the Set Prizes (as multiplied by the respective Megaplier® number if applicable) awarded in a drawing exceeds the percentage of the Prize Pool allocated to the Set Prizes, then the amount needed to fund the Set Prizes, including Megaplier® prizes, awarded shall be drawn from the following sources, in the following order: (1) the amount available in the Set Prize Pool and the Megaplier® Prize Pool if any; and (2) an amount from the Prize Reserve Account, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.
- B. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Megaplier® prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel

prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning Plays in proportion to their respective prize percentages. Mega Millions® and Megaplier® prizes will be reduced by the same percentage.

- C. By agreement with the Mega Millions® Lotteries, the Mega Millions® Lotteries shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega Millions® Lotteries shall then agree to set the pari-mutuel prize amount for all Lotteries selling the game at the lesser of the independently-calculated prize amounts.
- D. Except as may be required in these Rules, the official advertised Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales.
- E. Subject to the laws and rules governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions® Lotteries, for promotional purposes. Such change shall be announced by the Mega Millions® Lotteries.

**19.37 PROBABILITY OF WINNING**

- A. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Mega Millions®.

<b><u>Matches Per Ticket</u></b>	<b><u>Probability Winners</u></b>	<b><u>Distribution Probability</u></b>	<b><u>Probable/Set Prize Amount</u></b>
5+1	1	1:302,575,350	Grand Prize
5+0	24	1:12,607,306	\$1,000,000
4+1	325	1:931,001	\$10,000
4+0	7,800	1:38,792	\$500
3+1	20,800	1:14,547	\$200
3+0	499,200	1:606	\$10
2+1	436,800	1:693	\$10
1+1	3,385,200	1:789	\$4
0+1	8,259,888	1:37	\$2
Overall	12,610,038	1:24	

### **19.38 PRIZE PAYMENT**

- A. The prize money allocated from the current Mega Millions® Prize Pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand Prize category in which no matching Plays were sold, will be divided equally among all Grand Prize winners in all Participating Lotteries.
- B. The annuity Grand Prize will be paid in thirty (30) graduated annual installments. Grand Prizes won shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions® Lotteries. The Mega Millions® Lotteries may set a minimum guaranteed annuity Grand Prize amount that shall be advertised by the selling Lotteries as the starting guaranteed annuity Grand Prize amount.
- C. If in any Mega Millions® drawing there are no Mega Millions® Plays which qualify for the Grand Prize category, the portion of the prize fund allocated to such Grand Prize category shall remain in the jackpot prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions® drawing.
- D. Unless there is a different Party Lottery rule, Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made by the player within sixty (60) days after becoming entitled to the prize, then the prize shall be paid as an annuity prize. The election to take the cash payment may be made within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.
- E. In the event a prize winner selects the cash value option, the prize winner's share shall be paid in a single payment upon completion of internal validation procedures. The cash option amount shall be determined by the Product Group.
- F. Graduated annual payment option jackpot prizes shall be paid in thirty (30) graduated annual installments upon completion of internal validations procedures. The subsequent twenty-nine (29) payments shall be paid graduated annually to coincide with the month of the Federal auction date at which the bonds were purchased to the fund the annuity, with graduated annual installments defined in the Mega Millions® Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of five percent (5%) annually, and annual payments shall be rounded to the nearest even one thousand dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.

- G. If individual shares of the cash held to fund an annuity is less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize Pool.
- H. Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the Prize Pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries or other Lotteries participating in the Mega Millions® game. A Party Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.
- I. In the event of the death of a Lottery winner during the annuity payment period, the MUSL Finance and Audit Committee, in its sole discretion, excepting a discretionary review by the Product Group, upon the petition of the estate of the Lottery winner (the “Estate”) to the Lottery of the jurisdiction in which the deceased Lottery winner purchased the winning Play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining Lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased Lottery winner’s annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance and Audit Committee or the Product Group.

#### **19.39 LOW-TIER PRIZES**

- A. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Party Lottery which sold the winning Play(s). A Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

#### **19.40 PRIZES ROUNDED**

- A. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which under these Rules may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the Prize Pool for the next drawing.

**19.41 ROLLOVER**

- A. If the Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the Grand Prize Pool for the following drawing.

**19.42 LIMITED TO HIGHEST PRIZE**

- A. The holder of a winning Play may win only one (1) prize per Play in connection with the winning numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

**19.43 PRIZE CLAIM PERIOD**

- A. Prize claims shall be submitted within the period set by the Party Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the drawing date.

**19.44 TICKET VALIDATION**

- A. To be a valid Play and eligible to receive a prize, a ticket shall satisfy all the requirements established by the Party Lottery for validation of winning Plays sold through its computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Party Lotteries shall not be responsible for tickets which are altered in any manner.
- B. Under no circumstances shall a claim be paid for the Grand Prize or the second prize without an official Mega Millions® ticket (or subscription) matching all game Play, serial number, and other validation data residing in the selling Party Lottery's gaming system computer; and such ticket (or subscription) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.
- C. In addition to the above, in order to be deemed a valid, winning Mega Millions® ticket, all of the following conditions must be met:
1. The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket.
  2. The ticket must be intact.
  3. The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner.

4. The ticket must not be counterfeit or an exact duplicate of another winning ticket.
  5. The ticket must have been issued by an authorized Mega Millions® agent, sales agent, or Retailer on official paper stock of the selling Party Lottery, or otherwise printed in compliance with MUSL Rule.
  6. The ticket must not have been stolen, to the knowledge of the Party Lottery.
  7. The ticket must be submitted for payment in accordance with these Rules.
  8. The Play data must have been recorded on the computer gaming system prior to the drawing, and the Play data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Party Lottery computer gaming system, the wager accepted by the Party Lottery computer gaming system shall be a valid wager.
  9. The player or computer number selections, validation data, and the drawing date(s) of an apparent winning Play must appear on the official file of winning Plays, and a Play with the exact date must not have been previously paid.
  10. The Play must not be misregistered, and the Play's ticket must not be defectively printed, or printed or produced in error to an extent that it cannot be processed by the Party Lottery that issued the Play.
  11. In submitting a Mega Millions® Play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions, and final decisions of the Director of the Party Lottery that issued the Play.
  12. There must not be any other breach of these Mega Millions® Rules in relation to the Play, which, in the opinion of the Director of the Party Lottery that issued the Play, justifies invalidation.
  13. The Play must be submitted to the Party Lottery that issued it.
- D. An official Mega Millions® ticket submitted for validation which fails any of the preceding validation conditions shall be considered void, subject to the following determinations:



1. In all cases of doubt, the determination of the Party Lottery, which sold the Mega Millions® Play, shall be final and binding; however, the Party Lottery may, at its option, replace an invalid ticket with a Mega Millions® Play of equivalent sales price.
2. In the event a defective ticket is purchased, or in the event the Party Lottery determines to adjust an error, the claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Mega Millions® Play of equivalent sales price.
3. In the event a Mega Millions® Play is not paid by a Party Lottery, and a dispute occurs as to whether the Play is a winning Play, the Party Lottery may, at its option, replace the Play as provided in Item No. 1 above. This shall be the sole and exclusive remedy of the claimant unless the laws or regulations governing the Party Lottery provide for further administrative review.

#### **19.45 TICKET RESPONSIBILITY**

- A. Prize claim procedures shall be governed by the rules of the Selling Lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the Selling Lottery.
- B. The manner of payment of prizes for valid winning tickets bearing multiple signatures, marks, or names shall be determined by the rules of the Party Lottery making the prize payment.
- C. The Product Group, the MUSL, and the Party Lotteries shall not be responsible for lost or stolen tickets.
- D. A receipt for a ticketless transaction Play has no value and is not evidence of a Play. A ticketless transaction Play is valid when registered with the Lottery in accordance with Lottery rules and the person or, if permitted by the Lottery rules, the persons registering the Play shall be the owner of the ticketless transaction Play.
- E. The Party Lotteries shall not be responsible to a prize claimant for Mega Millions® Plays redeemed in error by a Mega Millions® agent, sales agent, or Retailer.
- F. Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Mega Millions® draw. MUSL and the Party Lotteries are not responsible for Mega Millions® winning numbers reported in error.

#### **19.46 INELIGIBLE PLAYERS**

- A. A Play or share for a MUSL game issued by the MUSL, or any of its Party Lotteries, shall not be purchased by, and a prize won by any such Play or share shall not be paid to:
  - 1. MUSL employee, officer, or director,
  - 2. A contractor or consultant under agreement with the MUSL to review MUSL audit and security procedures,
  - 3. An employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm, or
  - 4. An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in Nos. 1, 2, and 3 and residing in the same household.
- B. Those persons designated by a Party Lottery's law as ineligible to play its games shall also be ineligible to play the MUSL game.
- C. A Play or share of the Mega Millions® game may not be purchased in any Lottery jurisdiction by any Party Lottery board member, commissioner, officer, employee, or parent, stepparent, child, stepchild, spouse, or sibling residing as a member of the same household in the principal place of residence of any such person. Prizes shall not be paid to any persons prohibited from playing Mega Millions® in a particular jurisdiction by rules, governing law, or any contract executed by the Selling Lottery.

#### **19.47 APPLICABLE LAW**

- A. In purchasing a Play, or attempting to claim a prize, the purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Party Lottery where the Play was purchased, and by directives and determinations of the Director of the Party Lottery.
- B. The player shall be bound to all applicable provisions in the Mega Millions® Finance and Operations Procedures.
- C. The prize claimant agrees that, as its sole and exclusive remedy, claims arising out of a Mega Millions® Play can only be pursued against the Party Lottery of Play purchase. Litigation, if any, shall only be maintained within the jurisdiction in which the Mega Millions® Play was purchased and only against the Party Lottery that issued the Play.

- D. Nothing in this Rule shall be construed as a waiver of any defense or claim a Party Lottery may have in the event a player pursues litigation against the Party Lottery, its officers, or employees. All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions® Rules, shall be final and binding on all purchasers and on every person making a claim in respect thereof, but only in the jurisdiction where the Mega Millions® Play was issued.

#### **19.48 SPECIAL GAME RULES-MEGA MILLIONS® MEGAPLIER® PROMOTION**

- A. The Mega Millions® Megaplier® promotion is a limited extension of the Mega Millions® game and is conducted in accordance with the Mega Millions® game Rules and other Lottery rules applicable to the Mega Millions® game, except as amended herein.
- B. The promotion will begin at a time announced by the Party Lottery and will continue until discontinued by the Lottery. The promotion will offer to the owners of a qualifying Play a chance to multiply or increase the amount of any of the eight lump sum Set Prizes (the lump sum prizes normally paying two dollars (\$2.00) to one million dollars (\$1,000,000.00)) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be multiplied or increased.
- C. A qualifying Play is any single Mega Millions® Play for which the player pays an extra dollar for the Megaplier® option Play and which is recorded at the Party Lottery's computer gaming system as a qualifying Play.
- D. A qualifying Play that wins one of the lump sum Set Prizes will be multiplied by the number selected, either two (2), three (3), four (4), or five (5) in a separate random Megaplier® drawing announced in a manner approved by the Product Group.
- E. MUSL will either itself conduct, or authorize a U.S. Lottery to conduct on its behalf, a separate random Megaplier® drawing. Before each Mega Millions® drawing, a single number, two (2), three (3), four (4), or five (5), shall be drawn. The Mega Millions® Group may change one (1) or more of these multiplier numbers from time to time. In the event the multiplier drawing does not occur prior to the Mega Millions® drawing, the multiplier number will be a five (5), which shall solely be determined by the Lottery authorized to conduct the Megaplier® drawing.

#### **19.49 MEGAPLIER® PRIZE POOL**

- A. The Megaplier® Prize Pool shall be used to fund Megaplier® prizes. The Megaplier® Prize Pool shall hold the temporary balances that may result from having fewer than expected winning Megaplier® Plays. The source of the Megaplier® Prize Pool is the Party Lottery's weekly prize contributions

less actual Megaplier® Prize liability. Prize payout percentages per draw may vary. The Megaplier® Prize Pool shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Megaplier® prizes awarded in the current draw. Up to fifty-one percent (51%) of each drawing period's sales, as determined by the Game Group, including any specific statutorily-mandated tax of a Party Lottery to be included in the price of a Lottery ticket, shall be collected for the payment of Megaplier® prizes.

- B. Any amount not used to pay for multiplied prizes may be collected and placed in the Megaplier® Prize Pool until the Prize Pool Account reaches the amount designated by the Product Group. Any amount remaining in the Megaplier® Prize Pool Account at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction law.
- C. Except as provided in these Rules, all prizes awarded shall be paid as lump sum Set Prizes. Instead of the Mega Millions® Set Prize amounts, qualifying Megaplier® Plays will pay the amounts shown below when matched with the Megaplier® number drawn:

<b><u>Match</u></b>	<b><u>Prize</u></b>	<b><u>2X</u></b>	<b><u>3X</u></b>	<b><u>4X</u></b>	<b><u>5X</u></b>
5+0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
4+1	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000
4+0	\$500	\$1,000	\$1,500	\$2,000	\$2,500
3+1	\$200	\$400	\$600	\$800	\$1,000
3+0	\$10	\$20	\$30	\$40	\$50
2+1	\$10	\$20	\$30	\$40	\$50
1+1	\$4	\$8	\$12	\$16	\$20
0+1	\$2	\$4	\$6	\$8	\$10

In certain rare instances, the Mega Millions® Set Prize amount may be less than the amount shown. In such cases, the Megaplier® prizes will be a multiple of the changed Mega Millions® prize amount announced after the draw. For example, if the Match 4+1 Mega Millions® Set Prize amount of ten thousand dollars (\$10,000.00) becomes two thousand dollars (\$2,000.00) under the rules of the Mega Millions® game, then a Megaplier® player winning that prize amount with a four times (4X) multiplier would win eight thousand dollars (\$8,000.00), two thousand dollars (\$2,000.00) multiplied by four (4).

**19.50 PROBABILITY OF WINNING**

- A. The following table sets forth the probability of the various Megaplier® numbers being drawn during a single Mega Millions® drawing. The Group may elect to run limited promotions that may modify the multiplier features.

<b>Megaplier® Number</b>	<b>Probability of Prize Increases</b>
5X	1:15
4X	3:15
3X	6:15
2X	5:15

Megaplier® does not apply to the Mega Millions® Grand Prize.

**19.51 LIMITATION ON PAYMENT OF MEGAPLIER® PRIZES**

- A. The Prize Pool percentage allocated to the Megaplier® Set Prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Set Prizes awarded in the current draw or may be held in a Prize Reserve Account.
- B. If the total of the original Mega Millions® Set Prizes and the Megaplier® Set Prizes awarded in a drawing exceeds the percentage of the Prize Pools allocated to the Set Prizes, the amount needed to fund the Set Prizes (including the Megaplier® prize amounts) awarded shall be drawn from the following sources, in the following order: (1) the amount allocated to the Set Prize Pool and the Megaplier® Prize Pool if any; (2) an amount from the Prize Reserve Accounts if available in the account, not to exceed forty million dollars (\$40,000,000.00) per drawing.
- C. If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including the Megaplier® prize amounts), then the highest Set Prize (including the Megaplier® prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize (including the Megaplier® prize amounts) shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Rule shall be divided among the winning Plays in proportion to their respective prize percentages. Mega Millions® and Megaplier® prizes will be reduced by the same percentage.
- D. By agreement with the Mega Millions® Lotteries, the Mega Millions® Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Megaplier® prize amounts. The Party Lotteries and the Mega Millions® Lotteries shall then agree to set the pari-mutuel prize amounts for all Lotteries selling the game at the lesser of the independently-calculated prize amounts.

## **19.52 PRIZE PAYMENT**

- A. All Megaplier® prizes shall be paid in one (1) lump sum through the Party Lottery that sold the winning Play(s). A Party Lottery may begin paying Megaplier® prizes after receiving authorization to pay from the MUSL central office.
  
- B. Prizes which, under these Rules, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the Megaplier® Prize Pool for the next drawing.

## **CHAPTER TWENTY**

### **VIDEO LOTTERY, TABLE GAMES, AND SPORTS WAGERING**

#### **20.1 VIDEO LOTTERY AND TABLE GAMES**

A. The following definitions shall apply to this Chapter:

1. “Background Investigation” means the security and financial investigation by the Division or its designee of an applicant to be the Central Communications System Provider, a Technology Provider, Video Lottery Retailer, Table Game Retailer, and any individual or company applying for licensing.
2. “Bonds” means Bonds that all contractors must provide, as the Director shall require from time to time and in such amounts and issued by such companies, as the Director shall approve.
3. “Capitalized Terms” means that unless otherwise defined, each capitalized term in these Rules and Regulations shall have the meaning given such term in the R.I.G.L., Sections 42-61.2-1, 42-61.2-2, or in these Rules and Regulations.
4. “Cash” means United States currency and coin.
5. “Cash Voucher” means the receipt issued from a Video Lottery Terminal for the payment by a Retailer of Credits.
6. “Casino Gaming” means any and all Table and Casino-style Games played with cards, dice, or equipment, for money, credit, or any representative of value; including, but not limited to, roulette, blackjack, big six, craps, poker, baccarat, Pai Gow, any banking or percentage game, or any other game or device included within the definition of Class III gaming as that term is defined in Section 2703(8) of Title 25 of the United States Code and which is approved by the State through the Division.
7. “Central Computer System Hardware” shall mean the hardware to support all required Video Lottery Terminals. The Central Computer System Provider will provide additional hardware if and when such becomes necessary to support all required Video Lottery Terminals, and as such additional hardware is provided, it shall also be “Central Computer System Hardware.”
8. “Central Computer System Provider” (CCSP) means a Person with whom the Division has contracted for the purpose of providing and maintaining a Central Communication System and the related

facilities management services with respect to and servicing the Video Lottery Terminals.

9. “Central Site” shall mean the site where the Video Lottery Central Computer System shall be located, which shall be at the Division’s existing Data Center located at 1425 Pontiac Avenue, Cranston, Rhode Island.
10. “Certification” means the authorization by the Division in accordance with its inspection and approval process of Terminals and Video Lottery Games.
11. “Chip” means a small disk issued by the Retailer representing a set value that is used for making Table Game wagers and is redeemable only for Cash or the Table Game Retailer’s check.
12. “Communications Network Equipment” shall mean the equipment necessary to support all required Video Lottery Terminals. CCSP will provide additional equipment if and when such equipment becomes necessary to support all required Video Lottery Terminals, and as such additional equipment is provided, it shall also be “Communications Network Equipment.”
13. “Confidential Information” shall have the meaning given the term in any contractual agreements entered into by the Division.
14. “Counterfeit Chip” means a Chip that has not been approved under these Rules.
15. “Credit” or “Video Lottery Credit” means the opportunity provided to a Player to play a Video Lottery Game or redeem the Credit for Cash.
16. “Director” means the Director of Lotteries established by Rhode Island General Law 42-61-3.
17. “Display” means the visual presentation of a Video Lottery Game feature shown on the screen of a Terminal.
18. “Division” means the State Lottery Division established within the Department of Revenue under the provisions of Rhode Island General Law 42-61-1.
19. “Evaluation Committee” means the Committee described in these Rules that shall make recommendations to the Director as to the selection of the CCSP and the licensing of Technology Providers.
20. “Facility” or “Facilities” means the two Pari-Mutuel Licensees.



21. “In-State Progressive Game” means a progressive grand prize (jackpot) game offered at the two Facilities in Rhode Island in conjunction with a base Video Lottery Game.
22. “Insurance” means Insurance that all contractors must provide as the Director shall require from time to time and in such amounts issued by such companies, as the Director shall approve.
23. “Lottery” means the activities authorized by Rhode Island General Laws 42-61-1 et seq. as carried out by the Director, the Division, and its officers and employees.
24. “Match Play Coupon” means a promotional item in paper or plastic form with a fixed stated play ratio and value that is issued and used by a Table Game Retailer, and the stated value of which, when presented by a patron with Chips, which are in the stated ratio in value to the stated value of the promotional item, is included in the amount of the patron’s wager in determining the amount the patron receives as a result of a winning wager made with gaming Chips and their accompanying promotional item.
25. “Multi-Jurisdiction Wide-Area Progressive Game” (MWAP) means a multi-jurisdiction progressive grand prize (jackpot) game offered in conjunction with a base Video Lottery Game. See Chapter 19 of these Rules and Regulations for game description, wagering, and payoff.
26. “Net Table Game Revenue” means win from Table Games minus counterfeit currency.
27. “Net Terminal Income” means an amount equal to total currency placed into a Video Lottery Terminal less total Credits issued from that Terminal redeemable for Cash by Players.
28. “Non-Value Chip” means a Chip which is clearly and permanently impressed, engraved, or imprinted with the name of the Retailer but which does not bear a value designation.
29. “Pari-Mutuel Licensee” means any entity licensed and authorized to conduct dog racing, pursuant to R.I.G.L. 41-3.1-1 et seq.; and any entity qualified as a Pari-Mutuel Licensee pursuant to R.I.G.L. 41-7-1 et seq.
30. “Person” means and includes an individual, general partnership, limited partnership, corporation, or other legal entity.

31. "Pit" means the area of arrangement of a group of gaming tables in which Casino Gaming personnel administer and supervise the live Table Games played at the grouping of tables.
32. "Player" means a natural Person who has attained the age of eighteen (18) who plays a Video Lottery or Table Game.
33. "Premises" means the building and grounds occupied by a Pari-Mutuel Licensee including those areas not normally open to the public.
34. "Progressive Game" means a game where a percentage of every wager played on a progressive game is contributed to a growing jackpot prize amount. Factors affecting the jackpot amount are the contribution percent, Player participation, and the structure of the hit probability.
35. "Rake" means a set fee or percentage of Cash, and Chips representing Cash, wagered in the playing of a non-banking Table Game assessed by a Table Game Retailer for providing the services of a dealer, gaming table or location, to allow the play of any non-banking Table Game.
36. "Simultaneous Win" means a win immediately following a jackpot win on a MWAP Game, but before jackpot signage has been reset. The subsequent MWAP jackpot win shall be the reset jackpot amount as recorded on the Jackpot Management System (JMS).
37. "Software" shall mean the CCSP Software, all documentation related thereto, all updates, enhancements, and modifications of either, and all additional CCSP Software and related documentation that the CCSP may provide to the Division during the term of the agreement for use in connection with the Video Lottery Central Computer System.
38. "State" shall mean the State of Rhode Island.
39. "Table Game" or "Table Gaming" means that type of Casino Gaming in which Table Games are played for Cash, or Chips representing Cash, using cards, dice, or equipment and conducted by one or more live Persons.
40. "Table Game Retailer" means a Retailer authorized to conduct Table Gaming pursuant to Sections 42-61.2-2.1 and 42-61.2-2.2 of the R.I.G.L..

41. “Technology Provider” means a Person licensed by the Division to provide Video Lottery Terminals and with whom the Division has entered into an agreement to provide Terminals.
42. “Terminal” means any electronic computerized Video Lottery Game machine that upon insertion of Cash, tickets, or tokens enables a Player to play a Video Lottery Game authorized by the Division, and which uses a video Display and microprocessors in which by chance, the Player may receive free games or Credits that can be redeemed for Cash. The term “Terminal” does not include a machine that directly dispenses coins, Cash, or tokens.
43. “Video Lottery Game” means any Game authorized by the Director such as a variation of poker, blackjack, pull tabs, instant, line-up or progressive games, which can be varied at the Director’s discretion.
44. “Video Lottery Game Event Outcome” means the result of a Video Lottery Game achieved by a Player at a Terminal.
45. “Video Lottery Retailer” means a Retailer authorized to conduct Video Lottery Games pursuant to Section 42-61.2-1 of the R.I.G.L..
46. “VLCC System” shall mean, collectively, the Central Computer System Hardware, the communications network equipment, the validation and management terminals and the Software.

## **20.2 VIDEO LOTTERY AND TABLE GAME RETAILER REQUIREMENTS**

- A. Licensed Video Lottery and Table Game Retailers shall adhere to all established Rules and Regulations, Policies and Procedures, and the following:
  1. The Premises of Video Lottery and Table Game Retailers shall be open for inspection by authorized Division representatives or by local or State law enforcement personnel whenever the business is open to the public or for a private party.
  2. The Video Lottery and Table Game Retailers shall not permit any visibly intoxicated Person or any Person under eighteen (18) years of age to play a Video Lottery or Table Game.
  3. The Video Lottery and Table Game Retailers shall attend all meetings, seminars, and training sessions required by the Division.
  4. The Video Lottery and Table Game Retailers shall supervise their employees and their activities to ensure compliance with these Rules and Regulations and established Policies and Procedures.

5. The Video Lottery and Table Game Retailers shall assume responsibility for the proper and immediate redemption of all Credits. However, no Credits may be redeemed by a Person under eighteen (18) years of age.
6. The Video Lottery Retailers shall provide dedicated power and a proper Video Lottery Terminal environment in accordance with the specifications of the Division.
7. The Video Lottery Retailers shall designate, for Division approval, locations within the Facility for placement of Video Lottery Terminals.
8. The Table Game Retailer shall designate, for Division approval, one or more locations within the Facility to conduct Table Games.
9. The Table Game Retailer shall designate secure locations for the inspection, service, repair, or storage of Table Game equipment, and for employee training and instruction to be approved by the Division.
10. The Table Game Retailer shall submit, for approval by the Division prior to use, all types of Table Game Chips, including size and uniform color by denomination, cards, dice, wheels, balls and other equipment and accessories related to Table Games, including promotions and tournaments; and a policy for the use of promotional or commemorative Chips, cards, dice, wheels, balls, and other equipment used in the conduct of certain Table Games.
11. The Table Game Retailer shall provide specifications, for approval by the Division, to integrate and update the Retailer's surveillance system to cover all areas where Table Games are conducted and other areas as required by the Division. The specifications shall include provisions providing the Division, and other Persons authorized by the Division, with onsite access to the system.
12. The Table Game Retailer shall ensure that visibility in the Facility is not obstructed in any way that could interfere with the ability of the Division, the Retailer, or other Persons authorized by the Division to oversee the surveillance of the conduct of Table Games.
13. The Video Lottery Retailers shall ensure that the count rooms for Video Lottery Games have appropriate security for the counting and storage of Cash. The Table Game Retailer shall ensure that the count rooms for Table Games have appropriate security for the counting and storage of Cash.
14. The Video Lottery Retailers shall adhere to all Rules and Regulations and Policies and Procedures established for the collection, counting,

and recording of Cash received in the conduct of Video Lottery Games. The Table Game Retailer shall adhere to all Rules and Regulations and Policies and Procedures established for the collection, counting, and recording of Cash received in the conduct of Table Games.

15. The Table Game Retailer shall adopt policies and procedures, for approval by the Division, to prohibit any Table Game equipment from being possessed, maintained, or exhibited by any Person on the Premises except in the areas within the Facility where Table Games are conducted, or in a restricted area designated to be used for the inspection, service, repair, or storage of Table Game equipment by the Retailer, or in an area used for employee training.
16. The Table Game Retailer shall establish minimum standards, for approval by the Division, relating to the acceptance of tips or gratuities by dealers. Tips or gratuities accepted by dealers at banking Table Games shall be placed in a common pool for complete distribution pro rata among all dealers on the daily collection of such tips or gratuities. Tips or gratuities accepted by dealers at non-banking Table Games are not required to be pooled and may be retained by the dealers. The Retailer may submit, for approval by the Division, alternative methods of distribution for tips or gratuities for both banking and non-banking Table Games.
17. The Video Lottery and Table Game Retailers shall submit, for approval by the Division, proposed policies, procedures, rules and regulations of all proposed promotions and tournaments in accordance with Section 20.5 of these Rules.
18. The Video Lottery and Table Game Retailers, authorized by Chapter 61.2 of this title, shall develop and implement a comprehensive self-exclusion program. Information on this program shall be posted at the Retailer location and on the Retailer website. Retailers shall also keep conspicuously posted on their Premises the name and telephone number of the Division-sponsored Problem Gambling Helpline and a statement of its availability to offer assistance. The Division shall supply the Retailers with the required notice.
19. Video Lottery and Table Game Retailers shall offer a problem gambling awareness program for employees, Player self-exclusion programs, and promotion of the Division-sponsored Problem Gambling Helpline. The Table Game Retailer shall modify its existing programs to include Table Games. The Video Lottery and Table Game Retailers shall reimburse and pay to the Division no less than one hundred thousand dollars (\$100,000.00) in aggregate annually for problem gambling programs established by the

Division. The contribution from each Facility shall be determined by the Division.

20. The Video Lottery and Table Game Retailers shall submit to the Director their internal procedures and administrative and accounting controls, which shall conform to the Rules and Regulations and Policies and Procedures of the Division and be otherwise satisfactory to the Director in his/her sole discretion, and such other requirements as shall be specified by the Director.
21. The Video Lottery and Table Game Retailers shall furnish to the Director complete information pertaining to any change in ownership of the Retailer or the owner of the Premises (other than a change in ownership by an owner of less than five percent (5%) of the issued and outstanding capital stock of the Retailer (or Premises owner if such stock is publicly traded) at least one hundred twenty (120) days prior to such transfer; and any such change is subject to the prior approval of the Division.
22. The Video Lottery and Table Game Retailers shall reimburse and pay to the Division (or to such other entities as the Division may identify) all reasonable costs and expenses associated with the Division's review of the business or operations of the Retailer, including, but not limited to, such items as ongoing auditing, legal, investigation services, compulsive and problem gambling programs, and other related matters.
23. The Table Game Retailer shall provide secure, segregated facilities, as required by the Division, on the Premises for the exclusive use of the Division staff and the State Police. Such space shall be located proximate to the gaming floor and shall include surveillance equipment, monitors with full camera control capability, as well as other office equipment that may be deemed necessary by the Division. The location and size of the space shall be subject to the approval of the Division.

### **20.3 VIDEO LOTTERY GAME REQUIREMENTS AND CREDIT PRICE**

- A. The Director shall authorize such Video Lottery Games to be played on the Premises as he/she shall determine from time to time shall be in the best interest of the Division.
- B. Video Lottery Games offered may be based on Credits between one cent (\$.01) and one hundred dollars (\$100.00) each, at the discretion of the Director. The amount of the maximum bet for any single Video Lottery Game event outcome shall be set by the Director in his/her discretion. Each Video Lottery Game must display the amount wagered and the amount awarded for each possible winning occurrence based on the

number of Credits wagered. The percentage payout of each Terminal shall be established by the Director from time to time in his/her discretion based on marketing data furnished to the Director by the CCSP. Each Video Lottery Game must provide a method for Players to view payout tables.

- C. Retailers shall redeem Cash Vouchers presented by a Player in accordance with procedures presented by the Retailer and approved by the Director prior to the opening of the Premises for Video Lottery Game play. Such procedures may be modified by the Director at any time.
- D. Cash Vouchers may be redeemed by a Player:
  - 1. At the designated place on the Premises where the Video Lottery Game issuing the Cash Voucher is located during the one (1) year redeeming period commencing on the date the Cash Voucher was issued.
  - 2. No Cash Voucher shall be redeemed more than one (1) year from the date of issuance. Funds reserved for the payment of a Cash Voucher shall revert to the General Fund of the State of Rhode Island one (1) year and one (1) day from the date of issuance of the Cash Voucher.
- E. In the case of a simultaneous win on an In-State progressive game (i.e. a second jackpot win within a five (5) second time period of the first hit, as recorded by the Central Computer System), the jackpot amount shall be paid to both parties. Any hit after the five (5) second time period will pay the new jackpot amount as calculated by the Central Computer System.
- F. In the event of a discrepancy between an In-State progressive game jackpot amount shown on the metered signage and the Central Computer System, the jackpot amount calculated by the Central Computer System shall always prevail.
- G. In the event an MWAP jackpot is won, the amount won shall be the amount as recorded on the jackpot management system, regardless of whether that amount recorded on the jackpot management system is accurately reflected on the jackpot signage or on the MWAP Video Lottery Terminal jackpot meters. See Chapter 19 of these Rules and Regulations for game description, wagering, and payoff.

#### **20.4 TABLE GAME REQUIREMENTS AND PRICE**

- A. The Table Game Retailer shall be required to provide written information at each Table Game about Game rules, payoffs or winning wagers and other information as the Division may require.

- B. The minimum and maximum wagers permitted at any authorized Table Game shall be approved by the Division.
- C. The Retailer shall furnish each Table Game with a sign acceptable to the Director indicating the permissible minimum and maximum wagers at the Table Game. Poker Tables shall also include a sign describing the type and amount of Rake to be collected.

## **20.5 VIDEO LOTTERY AND TABLE GAMING TOURNAMENTS AND PROMOTIONS**

- A. A request for approval of a gaming tournament and/or promotion shall be made in writing and received by the Division in advance of the announcement of the commencement date of the tournament and/or promotion. The request for approval shall contain a complete description of the tournament and/or promotion, the manner of entry, a description of those Persons eligible to enter the tournament and/or promotion, the entry fee assessed if any, the prizes to be awarded, the manner in which the prizes are to be awarded, and the dates of the tournament and/or promotion. The Division may request additional information prior to rendering a decision. Any changes to previously-approved tournaments and/or promotions must be submitted to the Division for approval in advance of the commencement of the tournament and/or promotion.
- B. A gaming tournament and/or promotion is a contest or event wherein Persons may participate in drawings, and/or play a Game or Games previously authorized by the Division to determine the winner of a prize or prizes. A gaming tournament and/or promotion shall include, but is not limited to, any contest or event wherein an entry fee may or may not be required to play a Game previously approved by the Division. An entry fee shall include any fee paid directly or indirectly by, or on behalf of, the Person participating in the tournament and/or promotion.
- C. All entry fees and costs associated with tournaments and/or promotions shall be reported to the Division in a manner approved by the Director. All entry fees, other than a buy-in amount which is used to pay Cash prizes, shall be included in the calculation of gross revenue, and no fees associated with holding the tournament and/or promotion shall be deducted.

## **20.6 PAYMENT OF PRIZES – SET OFF FOR CHILD SUPPORT DEBTS**

- A. The following set off provisions shall apply to the payment of any prize requiring the issuance of Internal Revenue Service Form W-2G by Video Lottery and Table Game Retailers to a patron:
  - 1. The Division of Lotteries shall furnish the Retailers with a list or compilation of names of individuals, together with such identifying information, who, as of the date of the list or compilation, have an



unpaid child support order in excess of five hundred dollars (\$500.00) shown on the Rhode Island Family Court/Department of Human Service Child Support Enforcement Computer System (CSE System).

2. The Video Lottery and Table Game Retailers shall set off against the amount due to that Person an amount up to the balance of the child support arrearages. Payment shall be made to the Rhode Island Family Court.
3. The Video Lottery and Table Game Retailers shall pay to this Person the remaining balance of the prize amount, if any, after reduction of the amount set off above for child support.

#### **20.7 TABLE GAME EQUIPMENT REQUIREMENTS**

- A. No vendors shall be allowed to supply Table Game equipment and/or supplies without approval of the Director and vendor's ability to successfully complete the required licensing process.
- B. Vendors must submit to a Background Investigation as part of the licensing application process, the cost of which must be borne by the applicant.
- C. No Table Game equipment and/or supplies may be purchased, leased, or otherwise obtained for use by the Table Game Retailer without the prior approval of the Director.

#### **20.8 TRANSPORTATION AND DELIVERY OF TABLE GAME EQUIPMENT AND SUPPLIES**

- A. All Table Games, roulette wheels, Chip bankrolls, and roulette non-value Chips are to be transported and delivered as follows:
  1. Items to be transported in dedicated, sealed trucks from the manufacturer directly to the Table Game Facility.
  2. Upon departure, the manufacturer shall e-mail the serial numbers of the trucks' seals to both the Table Game Facility and the Division designees.
  3. Upon arrival, the Table Game Facility Surveillance Department shall be notified and instructed to provide coverage of the delivery. A Division designee and the Facility's Director of Table Games shall inspect the truck seals to confirm serial numbers prior to cutting the seals.
  4. Serial numbers on the Tables brought into the Table Game Facility shall be inspected and recorded, and a report shall be compiled and

provided to the Division designee and the Facility's Director of Table Games.

5. Chip bankrolls shall be stored in a designated area approved by the Division for secure storage until inspection by the Division designee and by the auditor from an independent certified public accounting firm representing the Facility for complete and accurate accounting of Chips. All bankrolls shall then be placed in a designated secure storage area approved by the Division.
  6. Roulette wheels shall be stored in an area pre-approved by the Division for secure storage until inspection and then placement on the gaming floor.
- B. Card and dice shipments will be by commercial freight carriers on a regular basis from the manufacturer to the Table Game Facility's loading dock.
- C. The Surveillance Department shall be notified and instructed to provide coverage of a delivery described in Sections A and B above. The Facility's Casino Shift Manager and Division designee shall be notified of the delivery and inspect the packages for tampering. If tampering is detected, the Facility's Director of Table Games shall be immediately notified. If no tampering is detected, the shipment shall be moved to an area approved by the Division for secure storage.

## **20.9 TRANSPORTATION OF VIDEO LOTTERY TERMINALS**

- A. No Person shall ship or transport a Video Lottery Terminal into the State without authorization for transport from the Director. Transporting or shipping into the State means the starting point is outside the State and terminates in the State.
- B. The written authorization required under Subsection A shall accompany, at all times, any Video Lottery Terminal in transport and shall include the:
1. Serial number of each Terminal being transported;
  2. Full name and address of the Person from whom the Terminal was obtained; and
  3. Full name and address of the Facility and Person to whom the Terminal is being sent or transported.
- C. All Terminals are to be transported in locked, sealed, and exclusive-use trucks. The Division's Video Lottery Supervisor, or designee, must be present to witness the breaking of the seals on shipments into and within the State.

- D. No Terminal being transported shall have any game chips installed.
- E. All keys to the Terminals shall be presented to the Division's Video Lottery Supervisor, or designee, upon delivery.
- F. Any movement of Terminals within or between the Facilities must be pre-approved by the Division.

#### **20.10 ACCOUNTING PROCEDURES**

- A. The CCSP shall develop and provide an accounting mechanism for the Video Lottery Game system as a whole, which mechanism shall achieve compliance with the standards of integrity and control established by the Division.
- B. Each Retailer shall submit to the Director a comprehensive program for Cash management, which must be approved by the Director prior to commencement of Video Lottery and Table Game play. Such system shall provide, among other things, for the segregation of all funds relating to Video and Table Games in trust for the Division in such a manner that legal counsel and the Auditor General shall approve to insure that such funds shall at all times remain the sole property of the Division.
- C. Each Retailer, the CCSP, and all Technology Providers shall submit to the Director such financial and operating information as the Director shall require from time to time at such times and in such format as the Director shall specify.
- D. The Division or its designated agents shall have the right to audit the books and records including, without limitation, tax returns, of any Retailer, the CCSP, and each Technology Provider.

#### **20.11 TABLE GAME ENFORCEMENT**

- A. In the Director's discretion, an administrative penalty of not more than one thousand dollars (\$1,000.00) for each violation of any Rule, Regulation, Policy, Procedure, or any administrative order issued pursuant to Sections 42-61.2-2.1 or 42-61.2-3.1 may be imposed. Each day of continued violation shall be considered as a separate violation if the violator has knowledge of the facts constituting the violation and knows or should know that such facts constitute or may constitute a violation. Lack of knowledge regarding such facts or violation shall not be a defense to a continued violation with respect to the first day of its occurrence. Written notice detailing the nature of the violation, the penalty amount, and effective date of the penalty will be provided by the Director. Penalties take effect upon notification. A written request for a hearing must be submitted in writing to the Director within thirty (30) days of notification of violation.

- B. The Director, in his/her discretion, may endeavor to obtain compliance with requirements of this chapter by written administrative order. Such order shall be provided to the responsible party, specify the complaint, and propose a time for correction of the violation.
- C. The Director shall enforce these Rules. Such enforcement shall include, but not be limited to, referral of suspected criminal activity to the Rhode Island State Police for investigation.
- D. Any interest, costs, or expenses collected under this section shall be appropriated to the Division for administrative purposes.
- E. Any penalty imposed by the Division pursuant to Section 42-61.2-13 shall be appealable to Superior Court.

## **20.12 APPROVAL OF RETAILERS**

- A. Any Pari-Mutuel Licensee desiring to obtain approval as a Retailer shall apply to the Division on forms specified by the Director from time to time. Such application form shall require the Pari-Mutuel Licensee to furnish the following:
  - 1. The Pari-Mutuel Licensee's legal name, form of entity (e.g. general or limited partnership, corporation, etc.), the names, addresses, social security numbers and dates of birth of its stockholders (other than a holder of less than five percent (5%) of the issued and outstanding capital stock if such stock is publicly traded), directors, officers, partners, or other owners, and principal supervisory employees;
  - 2. Certified copies of its charter or partnership agreement;
  - 3. The name, address, social security number, or employer identification number, and date of birth of the record owner of the Premises, the information required by Number 1 above with respect to all Persons having an ownership interest in the Premises and copies of all agreements pursuant to which the Pari-Mutuel Licensee occupies the Premises, copies of all documents relating to the Premises including, without limitation, all mortgages, deeds of trust, Bonds, debentures, pledges of corporate stock and voting trust agreements;
  - 4. The information required by Number 1 as to any operator or any business conducted by such Pari-Mutuel Licensee and any other contractor of such Pari-Mutuel Licensee which has received compensation from such Pari-Mutuel Licensee in excess of fifty thousand dollars (\$50,000.00) in any of the three (3) preceding fiscal years together with a copy of all agreements between such Pari-

Mutuel Licensee and such operator or contractor and a statement of all compensation paid to such operator or contractor;

5. Copies of the Pari-Mutuel Licensee audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter;
  6. Copies of all Insurance policies insuring the Pari-Mutuel Licensee and the Premises;
  7. Such other information as the Director may require.
- B. The Director shall cause a Background Investigation to be conducted with respect to the Pari-Mutuel Licensee, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the Pari-Mutuel Licensee's issued and outstanding capital stock, if such stock is publicly traded), partners, other owners, and principal supervisory employees, its operators, and major contractors; and with respect to any other Person having an ownership interest in the Premises, its officers, directors, stockholders, partners, or other owners. Notwithstanding the preceding sentence, the Division, in its discretion, may rely on the results of a substantially similar Background Investigation performed for the benefit of any department of any state government or any agency, board, or commission thereof. The results of the Background Investigation must meet the criteria set forth in these Rules and must be satisfactory to the Division, in its sole discretion, prior to the issuance of its approval.
- C. As a condition of the issuance of an approval, the Pari-Mutuel Licensee must agree in writing to abide by the Rules and Regulations and Policies and Procedures of the Division as promulgated from time to time.
- D. Upon the determination that a Pari-Mutuel Licensee has satisfied all requirements of law, the Rules and Regulations, and Policies and Procedures of the Division, the Director shall issue a written approval of the Pari-Mutuel Licensee as a Retailer.
- E. Any violation of law, the Rules and Regulations, or the Policies and Procedures of the Division by a Retailer shall be grounds for limitation, conditioning, restriction, suspension, or revocation of approval of the Retailer by the Division.

#### **20.13 SELECTION OF CENTRAL COMMUNICATIONS SYSTEM PROVIDER**

- A. The Division hereby finds that competitive sealed bidding is not a practicable or advisable method of selection of a CCSP in that:

1. Because the compensation of the CCSP has been set by statute, specifications cannot be prepared that permit the award on the basis of either the lowest bid price or the lowest evaluated bid price; and
  2. Optional offers as to the type and scope of the services to be provided are in the best interest of the Division.
- B. The Division shall issue a Request for Proposals and Qualifications (“RFP&Q”) for the CCSP to a list of known vendors identified by the Director. The RFP&Q shall:
1. Include the evaluation factors upon which the award shall be made and their relative importance;
  2. Give notice of the possibility that the award may be made on the basis of the initial response;
  3. Give notice that responders must submit to a Background Investigation, the cost of which must be borne by the responder;
  4. Indicate that responders may be required to demonstrate a Central Communications System at a mutually agreeable site; and
  5. Contain such other information, as the Director deems appropriate.
- C. Responses to the RFP&Q timely received shall be evaluated by an Evaluation Committee of three (3) members appointed by the Director. The Evaluation Committee shall require each responder to furnish the information required in these Rules. The Evaluation Committee shall make a written recommendation to the Director.
- D. Upon receipt of the recommendations of the Evaluation Committee, the Director shall select a CCSP. In such selection, priority may be given to applicants who have demonstrated an ability to perform in accordance with time constraints established by the Division.
- E. Any violation of law or of the Rules and Regulations or Policies and Procedures of the Division by the CCSP shall be grounds for limitation, conditioning, restriction, suspension, or cancellation of the contract between the CCSP and the Division.
- F. The Director shall cause a Background Investigation to be conducted with respect to the selected CCSP, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the responder’s issued and outstanding capital stock if such stock is publicly traded), partners, or other owners. The results of the Background Investigation must meet the criteria set forth in these Rules and must be satisfactory to the Director in

his/her sole discretion, prior to the award of a contract to the CCSP. All costs of the Background Investigation shall be borne by the responder.

- G. The CCSP shall furnish such Bonds and provide evidence of such Insurance as the Director shall require from time to time in such amounts and issued by such companies, as the Director shall approve.
- H. All Terminals must be connected to a Central Communications System capable of providing the Director with auditing and other information of such types and at such intervals as the Director shall deem necessary for the integrity and security of the Video Lottery Game system consistent with the high standards of the Division.
- I. The Central Communications System shall provide a dedicated communications link to the Terminals in a continually polling mode and must be capable of validating all Cash Vouchers and authorizing payment thereof from a Central Communications System validation file.
- J. CCSP shall design the VLCC System to support the Video Lottery Terminals, and the CCSP shall install, implement, operate, and maintain, on behalf of the Division, the VLCC System. The Division may employ the services of an independent technical testing laboratory expert to test any part of the Central System at the CCSP's expense.
- K. In the course of performing the functions set forth in Section J above, the CCSP shall provide the Division with the following services:
  - 1. Define requirements for the Central Site, accomplish necessary Central Site improvements, and furnish the Central Site. Following installation of the VLCC system, CCSP shall operate and maintain the Central Site;
  - 2. Provide a disaster recovery system approved by the Division;
  - 3. Provide, or cause to be provided, maintenance services with respect to the Central Computer System Hardware, the Communications Network Equipment, the validation and management terminals, and the Software;
  - 4. Provide, or cause to be provided, field service maintenance (i.e., in the field terminal and module swapping and preventative maintenance) with respect to all Video Lottery Terminals connected to the VLCC System, regardless of manufacturer.
- L. The Division, and not the CCSP, shall determine the quantities, distribution, and placement of Video Lottery Terminals between and within the licensed Video Lottery Retailer locations.

- M. The Division may terminate any agreement by notice to the CCSP in the event of any of the following:
1. CCSP voluntarily liquidates, enters into receivership, or files a petition under any chapter of the U.S. Bankruptcy Code;
  2. CCSP is the subject of an involuntary bankruptcy petition and fails to have such petition dismissed, vacated, voided, or otherwise removed within sixty (60) days after its filing;
  3. CCSP breaches a material provision of this agreement and fails to cure such breach within forty-five (45) days after receipt by the CCSP of notice specifying such breach; or,
  4. Any material statement, representation or warranty intentionally made or furnished by the CCSP proves to be materially false or misleading; the Division suffers a loss in relying on such material statement, representation, or warranty; and the CCSP fails to remedy such loss within thirty (30) days after receipt from the Division of notice specifying the statement, representation or warranty that was materially false or misleading and the loss suffered as a result.
- N. The Division, throughout the term of any agreement with the CCSP or any extensions thereof, shall have the CCSP maintain Insurance coverage, in such amounts as in its discretion is necessary, in the following categories:
1. General Liability Insurance
  2. Property Insurance
  3. Errors and Omissions Insurance
  4. Automobile Liability Insurance
  5. Crime Insurance
- O. All Bonds and Insurance coverage, required under these Rules and Regulations, shall be issued by companies qualified to do business in the State of Rhode Island.
- P. The Division may enter into an agreement for the assessment of liquidated damages for non-performance or non-compliance with any contractual obligation entered into with the CCSP.
- Q. No agreement with the Division may be assigned without the prior written consent of the Division.



#### **20.14 SELECTION OF TECHNOLOGY PROVIDERS**

- A. As needed, the Director shall issue an RFP&Q for Technology Providers.
- B. The Director shall consider Technology Providers based on the following:
  - 1. Ability to interface with the Central Communication System;
  - 2. Experience;
  - 3. Financial stability;
  - 4. Technical and management abilities; and
  - 5. Maximum revenue generation.
- C. Responses to the RFP&Q timely received shall be evaluated by an Evaluation Committee of three (3) members appointed by the Director. The Evaluation Committee shall require each responder to furnish the information required in these Rules. The Evaluation Committee shall make a written recommendation to the Director.
- D. The Director shall require the Technology Provider to disclose its legal name, form of entity (e.g. general or limited partnership, corporation, etc.), the names, addresses, social security numbers, and dates of birth of its directors, officers, and stockholders (other than a holder of less than five percent (5%) of the applicant's issued and outstanding capital stock if such stock is publicly traded), partners, other owners, and principal supervisory employees;
- E. The Director shall cause a Background Investigation to be conducted, as outlined in Chapter 3, Section 3.3 of these Rules and Regulations, with respect to each application for a license, its officers, directors, stockholders (other than a holder of less than five percent (5%) of the applicant's issued and outstanding capital stock if such stock is publicly traded), partners, other owners, and principal supervisory employees. The results of the Background Investigation must meet the criteria set forth in these Rules and must be satisfactory to the Director in his/her sole discretion prior to the granting of a license. All costs of the background investigation shall be borne by the responder.
- F. Technology Provider shall submit copies of its audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as at the close of the most recent fiscal quarter;

- G. Technology Provider shall disclose the identity of all customers to whom it has furnished Video Lottery Games or other gambling equipment within the three (3) years immediately preceding the date of application;
- H. Technology Provider shall provide a list of all Persons with whom the Provider has a communications protocol agreement.
- I. Technology Provider shall disclose the names, addresses, and compensation paid to any attorney, retailer, lobbyist, accountant, or other Person who has assisted the Technology Provider in its efforts to become a licensed Technology Provider;
- J. Any violation of law or of the Rules and Regulations and/or Policies and Procedures of the Division by a licensed Technology Provider shall be the grounds for limitation, restriction, suspension, or revocation of its license.
- K. The Director shall enter into contracts with that number of Technology Providers as the Director shall determine; pursuant to which the Technology Providers shall furnish that number of Terminals for such Video Lottery Games as the Director shall recommend from time to time based on the needs of the Division.
- L. All contracts with Technology Providers shall include, without limitation, the following provisions:
  - 1. The Technology Provider must furnish a Person to work with the Lottery to provide assistance as needed in establishing, planning, and executing acceptance tests. Technology Provider assistance may be requested in troubleshooting communication and technical problems that are discovered when Terminals are initially placed at the Retailer.
  - 2. The Technology Provider must submit Terminal illustrations, schematics, block diagrams, circuit analysis, technical and operational manuals, program source codes, and hexadecimal dumps (the compiled computer program represented in base 16 format), and any other information requested by the Director for purposes of analyzing and testing the Terminal. All Terminals must be capable of accepting coins, and/or tokens and/or currency. Currency in the denominations of five dollars (\$5.00), ten dollars (\$10.00), twenty dollars (\$20.00), fifty dollars (\$50.00) and one hundred dollars (\$100.00) shall be acceptable.
  - 3. For testing, examination, and analysis purposes, the Technology Provider must furnish working models of a Terminal, associated equipment, and documentation at locations designated by the Director. The Technology Provider shall pay all costs of any testing, examination, analysis, and transportation of the Terminals. The

testing, examination, and analysis of the Terminals may include entire dismantling of the Terminal and some tests that may result in damage or destruction to one or more electronic components of the Terminal. The Division and its Retailers shall have no liability for any such damage or destruction. The Division may require that the Technology Provider provide specialized equipment or the Division may employ the services of an independent technical laboratory expert to test the Terminal at the Technology Provider's expense.

4. Technology Providers must submit all hardware, software, and test equipment necessary for testing of their Terminals.
5. No Terminal shall be put into use prior to Certification of its model by the Director.
6. Technology Providers shall agree to promptly report any violation or any facts or circumstances that may result in a violation of these Rules and Regulations and/or Policies and Procedures; provide immediate access to all its records and its physical premises for inspection at the request of the Director; attend all trade shows or conferences as required by the Director; provide the Director with keys and locks subject to the Director's specifications for each approved Terminal.
7. Technology Providers will provide spare modules (CRT's, printers, bill and coin acceptors, CPU boards, etc.) to the CCSP and provide training on the maintenance of their Terminals. Broken modules will be returned to the Technology Provider for repair or replacement on an as-needed basis.
8. Technology Providers must agree to modify their hardware and software to accommodate Video Lottery Game changes directed by the Division from time to time.
9. Technology Providers must provide such Bonds and provide evidence of such Insurance as the Director shall require from time to time and in such amounts and issued by such companies as the Director shall approve. All Bonds and Insurance coverage, required under these Rules and Regulations, shall be issued by companies qualified to do business in the State of Rhode Island.
10. Technology Providers must be qualified to do business in Rhode Island.
11. Technology Providers shall be allowed to conduct promotions, including lottery-like promotions, subject to the approval of the

Director and those that the Director shall recommend from time to time, based on the convenience and needs of the public.

- M. Each Terminal certified by the Director must conform to the exact specifications of the Terminal model tested and certified by the Director.
- N. Technology Providers shall be solely liable for any claims, loss, cost, damage, liability, or expense arising out of any hardware or software malfunction resulting in the wrongful award or denial of Credits or any error on the Cash Voucher and will hold harmless the Division, the State of Rhode Island, the CCSP, the applicable Retailer, and their respective retailers, employees, officers, and directors.

**20.15 GENERAL CRITERIA**

- A. No Retailer shall be approved and no contract shall be awarded to the CCSP nor any license issued to a Technology Provider until the Director determines that the proposed Retailer, CCSP, or Technology Provider, as appropriate, meets all the following qualifications:
  - 1. The applicant, its officers, directors, stockholders, partners, other owners, principal supervisory employees, its operator or contractor, as applicable, and any Person having an interest in the Premises are of good character, honesty, and integrity.
  - 2. The applicant, its officers, directors, stockholders, partners, other owners, principal supervisory employees, its operator or contractor, as applicable, and any Person having an interest in the Premises are Persons whose backgrounds, including criminal, civil, and financial records, reputation, and associations do not pose a threat to the public interest of the State or to the security and integrity of the Division.
  - 3. The applicant demonstrates business ability and experience to establish, operate, and maintain the business for the type of contract for which application is made and for this purpose provides the Division a sworn notarized statement that it:
    - a. Has not entered, and does not intend to enter, into any joint venture, partnership, or teaming agreement in order to fulfill its obligations, without prior approval of the Director;
    - b. Has not engaged, and does not intend to engage, any subcontractors, without prior approval of the Director;
    - c. Is not acting as a distributor of products manufactured by another entity, without prior approval of the Director;

- d. Has not entered, and does not intend to enter now or in the future, into any agreement whereunder the proceeds of any agreements with the Division would be shared with one or more other Persons or entities, without prior approval of the Director.
4. The applicant demonstrates adequate financing for the business proposed under the type of contract for which application is made. The Director shall consider whether financing is from a source that meets the qualifications in subdivisions one (1), two (2), and three (3) of this section and is in an amount to ensure the likelihood of success in the performance of the contract.
- B. The Division may deny approval as a Retailer to any Pari-Mutuel Licensee, may refuse to award a contract to any Technology Provider, and may decline to award a contract to a CCSP in the event that the proposed Retailer, Technology Provider or CCSP, or any of their respective officers, directors, shareholders, other owners, partners, principal supervisory employees, its operator or contractor, as applicable:
1. Has been convicted of any crime in any jurisdiction;
  2. Has been convicted of any gambling offense in any jurisdiction;
  3. Is subject to a civil judgment based in whole or in part upon conduct which allegedly constituted a crime, which judgment is not subject to appeal;
  4. Failed to disclose any material fact to the Division or its authorized agents during the Background Investigation or any subsequent background or security investigation;
  5. Makes a misstatement or untrue statements of a material fact;
  6. Associates with Persons of known criminal background, or Persons of disreputable character that may adversely affect the general credibility, security, integrity, honesty, fairness, or reputation of the Division.
  7. The Division determines that any aspect of the applicant's past conduct would adversely affect the integrity, security, honesty, or fairness of the Division.
  8. In evaluating whether to deny a Video Lottery and/or Table Game Retailer license or contract based on subdivisions one (1), two (2), and three (3) of this section, the Division may consider the following factors:

- a. The nature and severity of the conduct that constituted the offense or crime;
  - b. The time that has passed since satisfactory completion of the sentence, probation imposed, or payment of fine;
  - c. The number of offenses or crimes; and
  - d. Any extenuating circumstances that affect or reduce the impact of the offense or crime on the security, integrity, honesty, and fairness of the Division.
- C. The determination by the Division that a proposed Retailer or Technology Provider shall be approved or that an award shall be made to a CCSP shall be final.

#### **20.16 PLAYER RESTRICTIONS**

- A. Employees of the Rhode Island Lottery and any immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) residing in the same household as the employee shall not play, wager, or in any way participate or be eligible for a prize in any game offerings; i.e., Video Lottery Terminals, Table Games, pari-mutuel and/or simulcast wagering, etc., offered at Twin River and Tiverton Casino.

#### **20.17 SPORTS WAGERING**

- A. The following definitions shall apply to Sports Wagering:
  1. “Central Site” means the location where the central Sports Wagering communications systems shall be located.
  2. “Certification” means the authorization by the Division in accordance with its inspection and approval process of Sports Wagering Machines, equipment, etc.
  3. “Credit” means the opportunity provided to a Player to play a Sports Wagering game or redeem the Credit for cash.
  4. “Director” means the Director of Lotteries established by R.I.G.L. § 42-61-3.
  5. “Division” means the State Lottery Division established within the Department of Revenue under the provisions of R.I.G.L. § 42-61-1.
  6. “Electronic Sports Wagering Ticket” means the electronic record generated and maintained by the Sports Wagering System, resulting from a wager placed on a Mobile Device on a Sports Event.

7. “Event” means a specific sporting contest (e.g. football game).
8. “Facility” or “Facilities” means the two Video Lottery and Class III Gaming Licensees.
9. “Licensed Class III Gaming Retailer” means a Retailer authorized to conduct Class III Gaming pursuant to R.I.G.L. § 42-61.2-2.1 and 42-61.2-2.3.
10. “Licensed Video Lottery Retailer” means a Retailer authorized to conduct Video Lottery Games pursuant to R.I.G.L. § 42-61.2-1.
11. “Lottery” means the activities authorized by R.I.G.L. § 42-61-1 et seq. as carried out by the Director, the Division, and its officers and employees.
12. “Maximum Wager Limit” means the maximum amount that can be wagered on a single Sports wager or on a single Sports Event, be it head-to-head or Parlay, as determined by the Director.
13. “Mobile Device” means a device used to place a Sports wager within the allowable areas of the Premises.
14. “Mobile Sports Wagering” means wagering on an Event on a Mobile Device while in the allowable areas of the Premises.
15. “Net proceeds” means all proceeds net of proceeds returned to Players.
16. “Parlay” or “Parlay Card Wager” means a wager on the outcome of a series of three (3) or more games, matches, or similar Sports Events or on a series of three (3) or more contingencies incident to particular games, matches, or similar Sports Events.
17. “Player” means a natural Person who has attained the age of eighteen (18).
18. “Premises” means the building and grounds occupied by a Video Lottery and Class III Gaming Licensee including those areas not normally open to the public.
19. “Prohibited Sports Event” means those Sports Events defined as prohibited in R.I.G.L. § 42-61.2-1.22 (1-5).
20. “Sport” means a distinct, real-life sporting activity (e.g. football).
21. “Sports Event” means any professional sport or athletic event, any

Olympic or international sports competition or event, and any collegiate sport or athletic event, or any portion thereof, including, but not limited to, the individual performance statistics of athletes in a Sports Event or combination of Sports Events, except "Sports Event" shall not include a collegiate sports contest or collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in which any Rhode Island college team participates regardless of where the event takes place.

22. "Sports Wagering" means the business of accepting wagers on Sporting Events or a combination of Sporting Events, or on the individual performance statistics of athletes in a Sporting Event or a combination of Sporting Events, by any system or method of wagering. The term includes, but is not limited to, exchange wagering, Parlays, over-under, moneyline, pools, and straight bets; and the term includes the placement of such bets and wagers. The term does not include wagering on events as defined in R.I.G.L. § 42-61.2-1.22 (1-5).
23. "Sports Wagering Central Communication System" means a system approved by the Division, linking all Sports Wagering Machines at a licensee location to provide auditing program information and any other information determined by the Division.
24. "Sports Wagering Machine" or "Terminal" means any machine, including a Self-Service Sports Wagering Kiosk, which issues Sports Wagering Tickets or receipts. A machine shall be considered a Sports Wagering Machine notwithstanding the use of an electronic credit system making the deposit of bills, coins, or tokens unnecessary.
25. "Sports Wagering Revenue" means the total of cash or cash equivalents received from Sports Wagering minus the total of cash or cash equivalents paid to players as a result of Sports Wagering, the annual flat fee to the host communities as defined by R.I.G.L. § 42-61.2-2.4(c), marketing expenses related to Sports Wagering as agreed to by the Division, the Sports Wagering Service Provider, and the Facilities, as approved by the Division, and any Federal excise taxes (if applicable).
26. "Sports Wagering Service Provider" or "Service Provider" means an entity with whom the Division has contracted for the purpose of providing goods or services related to Sports Wagering, Sports Wagering Systems and/or providing and maintaining a central communication system and the related management facilities with respect to operating and servicing Sports Wagering Machines.
27. "Sports Wagering Systems" means systems provided by a Sports Wagering Service Provider that consist of Sports Wagering products,



risk management (Sportsbook), operations, and support services.

28. "Sports Wagering Ticket" or "Ticket" means the Ticket (receipt) issued by a Sports Wagering Machine, or an electronic record generated and maintained by the Sports Wagering System, resulting from a wager on a Sports Event.
29. "Sportsbook/Risk Manager" means the entity or person, contracted by the Division or the Sports Wagering Service Provider, which provides the bookmaking and risk management services for purpose of accepting wagers on collegiate or professional Sporting Events or athletic Events, or other similar Events. "Sportsbook" may also mean the physical location or locations within a Facility where Sports wagers are placed by Players.
30. "Unusual Betting Activity" means abnormal wagering activity exhibited by Players and deemed by the Sports Wagering Service Provider, Facilities, or the Division as a potential indicator of suspicious activity. Abnormal wagering activity may include the size of a Player's wager or increased wagering and/or volume on a particular Event or wager type.

#### **20.18 SPORTS WAGERING REQUIREMENTS**

- A. The Director shall authorize Sports Wagering at a licensed Class III Gaming Facility in conformity with approved operational procedures.
- B. Each Player shall be at least eighteen (18) years of age. In the event a person under the age of eighteen (18) attempts to place a wager or claim any winning payout, the Facility will treat the wager as void, and the person shall not be entitled to any winning payouts or a refund of amounts bet. This policy prohibiting persons underage and persons illegally entering the Premises from placing a wager or winning prizes shall be prominently displayed on the Premises of the Facility.
- C. Sports Wagering shall be based on bills, coins, or credits, and the wagering limits shall be set by the Division after consultation with the Sports Wagering Service Provider and/or Sportsbook.
- D. Immediately upon accepting a Sports wager, other than a wager placed through electronic means, the Sports Wagering Machine (Terminal) shall create a Sports Wagering Ticket on which the terms of the wager are written.
- E. For all wagers, the Sports Wagering System must have the capability to make a print, electronic, or other approved record of the entire transaction.
- F. Each Sports Wagering Ticket shall display the amount wagered and the

payout based on the amount wagered.

- G. The Sports Wagering System's record of a Player's confirmation of all wagers shall be deemed to be the transaction of record, and such records shall be made available upon request.

#### **20.19 GENERAL WAGERING RULES**

- A. Tickets go as written and cannot be altered or voided once accepted by the Player, except at the sole discretion of the Division.
- B. Once both parties accept a wager, it will not be altered or voided prior to the start of the event except at the discretion of the Division.
- C. Computer-generated point spreads/odds shall determine winners, losers, ties, and payout odds.
- D. Computer-generated wagering tickets are official and may not always match propositions on the display boards
- E. The time printed on the tickets shall be Eastern Standard Time.
- F. In the event of a dispute that cannot be resolved at the Sportsbook, a Player may submit a written appeal to the Division. The decision of the Division shall be final.
- G. Currently offered odds or point spreads on a given event will be posted on the display boards within the Sportsbook area. The display boards may not list the odds, point spreads or totals for certain Events. If such information is not listed on the display boards, then odd sheets made available in the Sportsbook area can be reviewed.
- H. The Division reserves the right to accept or refuse any wager or delete or limit any selection(s) prior to the acceptance of any wager.
- I. The Division reserves the right to add, delete, or change its Rules and/or payoff odds.
- J. The Division reserves the right to determine the minimum and maximum wagers on all sporting events.
- K. The Division is not responsible for lost, stolen, altered, or unreadable tickets.
- L. Tickets are void if stolen, unissued, mutilated, illegible, altered in any way, defective, or incomplete.

- M. Winning wagers are void one year from the date of the conclusion of the last Event on the wager.
- N. A valid, physical or electronic Sports Wagering Ticket must be presented for all prize claims.
- O. The Division is not responsible for paying winning tickets resulting from any system or terminal malfunction.
- P. The Division does not recognize defaults prior to the start of an Event, suspended games, result changes, protests, overturned decisions, etc., for wagering purposes.
- Q. The use of two-way electronic communication devices while placing a wager in the Sportsbook area is prohibited.
- R. All wagers will be deemed to have been accepted from the individual placing the wager only and not on behalf of any entity.
- S. Payoffs over ten thousand dollars (\$10,000.00) may be delayed until the next regular banking day.
- T. Wagers may be accepted at other than posted odds. Players are responsible for checking tickets prior to leaving the wagering counter/window.
- U. Wagering rules and conditions are subject to change. If there is a conflict between a stipulation on an odds sheet/display and these wagering Rules, the stipulation on the odds sheet/display will prevail.
- V. The Sportsbook shall make available to the Division a complete record of all point spreads, odds, final scores, and related betting proposition statistics to protect both the Player and Sportsbook in case of any obvious computer, mechanical, technical, or human error.

#### **20.20 PRIZE REDEMPTION**

- A. Each Facility shall designate employees authorized to redeem winning Sports Wagering Tickets during the Sportsbook hours of operation
- B. Facilities shall redeem Sports Wagering Tickets presented by a Player in accordance with procedures proposed by the Facilities and approved by the Director. Such procedures shall be modified at the direction of the Director in his or her sole discretion at any time. Players claiming winning payouts may be required to present sufficient identification as required by the Division.
- C. Sports Wagering Tickets may be redeemed by a Player at the designated

places on the Premises of the Facility during the one (1) year redeeming period commencing upon the determination of the result of the last wagered Sporting Event.

- D. No winning Sports Wagering Ticket shall be redeemed more than one (1) year from the date of the determination of the result of the last Sporting Event that was the subject of the applicable Sports wager. Funds reserved for the payment of an expired Sports Wagering Ticket or winning Ticket shall automatically revert to the State Lottery Fund, and the winner shall have no claim thereto. The one (1) year redemption policy in this regulation shall be prominently displayed on the Premises of the Facility and on the back of Sports Wagering Tickets and Sports Wagering electronic record.
- E. No payment for a winning Sports Wagering Ticket shall be made unless the Sports Wagering Ticket meets the following requirements:
  - 1. It is presented on a fully legible, valid, printed Sports Wagering Ticket on paper or electronic record approved by the Division, containing the information as required;
  - 2. It is not counterfeit in whole or in part; and
  - 3. It is presented by a person authorized to play.

#### **20.21 ERRONEOUS OR MUTILATED TICKETS**

- A. Unless the Director is satisfied that a mutilated Sports Wagering Ticket is genuine, no credit or prize will be issued to the holder of said Ticket.
- B. The Division or Facility is not responsible for paying winning Tickets resulting from any system or terminal malfunction or from human error.
- C. If a Ticket that has been sold to a Player is determined by the Director to be misprinted due to machine error, or is determined to be erroneously issued due to a malfunction or other type of error, the Division shall direct the Facility to reimburse the Ticket holder for the cost of the Ticket. Such Tickets will not be eligible for any prize.
- D. The Director may require Facilities to comply with such directives as he/she deems necessary for erroneous, misprinted, or mutilated Tickets received by a Facility.

#### **20.22 WAGERS**

- A. The Director will determine:
  - 1. The types of Sports wagers that will be offered and at which locations within the Facilities Players may cash winning Sports Wagering Tickets;

2. The maximum wager limit on a single Sports wager or on a single Sports Event, be it head-to-head or Parlay; and
3. The days and hours of operation for a Sportsbook located within a Facility.

#### **20.23 MOBILE APPLICATION**

- A. The Director shall authorize the Sports Wagering Service Provider to develop and implement a Sports Wagering mobile application that will allow the sale of Sports Wagering Tickets to Players using cellular phones or other types of computerized mobile devices or computers. Such sales will be strictly limited to the designated property boundaries of the Facility.

#### **20.24 GEO-LOCATION**

- A. For the purposes of these Rules and Regulations, the designated Premises within the Facility shall include any area located within the property boundaries of the Facility that the Director determines is legal for casino gaming.
- B. The Director shall require the Sports Wagering Service Provider to provide and implement so-called “geofencing” or “geolocation” technologies to prevent unauthorized Sports Wagering beyond the approved property boundaries of the Facility.

#### **20.25 FINANCIAL REPORTING AND REQUIREMENTS**

- A. The Sports Wagering Service Provider will provide an accounting mechanism for the Sports Wagering System as a whole, which mechanism shall achieve compliance with the standards of integrity, security, and control established by the Division.
- B. The Sports Wagering Service Provider and the Facilities shall submit to the Director such financial and operating information and statistical data as the Director shall require at such times and in such format as the Director shall specify.
- C. The Division, or its designated agents, shall have the right to audit the books and records including without limitation tax returns and IRS withholding and reporting records of the Service Provider and/or Facilities.
- D. All proceeds, net of proceeds returned to Players, from the operation of Sports Wagering shall be electronically transferred by the Facilities daily or weekly, at the discretion of the Division, into an account designated by the Division.

- E. The Facilities shall comply with all prescribed Federal requirements for tax withholding, recording and reporting, including, without limitation, those requirements relating to the transfer of funds withheld from Player winnings from the Facilities to the tax authorities.
- F. Any discrepancy regarding settlement of accounts will be resolved by the Director as he or she deems appropriate.

#### **20.26 PARLAY CARD WAGERING**

- A. It shall be the responsibility of the Sports Wagering Service Provider, in conjunction with the Sportsbook/Risk Manager, to determine the games, matches or similar Sports Events and the point spreads for such Events, subject to the approval of the Director or authorized designee, for Parlay Card Wagering.
- B. It shall be the responsibility of the Sports Wagering Service Provider to design and produce the Parlay Card Wagering forms in quantities as determined by the Division, and to distribute the Parlay Card Wagering forms to each licensed Facility on a schedule determined by the Division. The contents and format of such Parlay Card Wagering forms, including the games, matches or similar Sports Events and the point spreads for such Events, must be approved by the Director or authorized designee prior to distribution.
- C. Each Parlay Card Wagering form shall fully, accurately, and unambiguously disclose:
  - 1. The amounts to be paid to winners or the method by which such amounts are to be determined;
  - 2. The effect of ties;
  - 3. The minimum and maximum betting limits, if any;
  - 4. The procedure for claiming winnings, including but not limited to the documentation Players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail;
  - 5. The effects of an Event wagered on not being played on the date specified and of other Events that will cause selections to be invalid.
  - 6. The requirement that a Parlay Card Wager must consist of at least three selections that have not become invalid under applicable rules or the wager will be void and the money wagered will be refunded;

7. The rights, if any, reserved by the Facility, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the Parlay Card has been determined.
8. The requirement that the point spreads printed on the Parlay Card Wagering form when the wager is accepted will be used to determine the outcomes of the wagers; and
9. That the Facility's house rules apply to Parlay Cards unless otherwise stated on the Parlay Card Wagering form.

#### **20.27 ACCEPTANCE OF SPORTS WAGERS**

- A. The Facility may accept Sports wagers, including Parlay Card Wagers, as to which of the participating contestants will win specified Sports Events and as to whether the total points scored in a specified game, match, or similar Sports Event will be higher or lower than a number specified for that Event.
- B. The Facility shall not knowingly accept money or its equivalent ostensibly as a wager upon an Event whose outcome has already been determined. The Facility shall not accept a wager on an Event unless the date and time at which the outcome of the Event is determined can be confirmed from reliable sources satisfactory to the Director or from records created and maintained by the Facility in such manner as the Director may approve.
- C. No Facility or Sports Wagering Service Provider employee may accept a wager from a person who the Facility, Provider, or employee knows, or reasonably should know, is placing a wager for the benefit of another for compensation or is placing a wager in violation of State or Federal law.
- D. No Facility may hold a Player's money or its equivalent on the understanding that the Facility will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a Sports Wagering Ticket or Ticket documenting the Sports wager and contingency is issued immediately when the Sports Wagering Service Provider receives the money or its equivalent.
- E. A Facility may not accept wagers on a Sporting Event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media.
- F. A Facility may not unilaterally rescind any Sports wager without the prior approval of the Director or his/her designee.
- G. The Director may unilaterally direct the Sports Wagering Service Provider

and Sportsbook to limit, halt, or suspend Sports Wagering on any Event, including Parlay Card Wagers, if the outcome of an Event would create an unacceptable level of financial liability.

- H. A Facility or Sports Wagering Service Provider shall not knowingly accept a Sports wager from any individual who has been convicted of the crime of bookmaking in the State of Rhode Island or other state, pursuant to R.I.G.L. § 11-19-14.1.

**20.28 SPORTS WAGERING INTEGRITY, CONFIDENTIAL INFORMATION**

- A. The Sports Wagering Service Provider shall have controls in place to identify unusual betting activity and immediately report such activity to the Division or its authorized representatives.
- B. The Director, or authorized designee, after receiving a report of suspicious or unusual betting activity, may unilaterally direct the Sports Wagering Service Provider and Sportsbook/Risk Manager to immediately suspend wagering or cancel wagers on Events related to the report.
- C. The Division and sports-governing bodies shall be authorized to share information regarding the integrity of Events on which Sports Wagering is being conducted.
- D. The Division may require the Sports Wagering Service Provider to provide any hardware necessary to the Division for evaluation of Sports Wagering or to conduct further monitoring of data provided by its system.
- E. All information and data received pursuant to this section by the Division related to unusual or suspicious activity shall be considered confidential and shall not be revealed in whole or in part except upon the lawful order of a court of competent jurisdiction or, with any law enforcement entity, team, sports-governing body, or regulatory agency that the Division deems appropriate.

**20.29 SPORTS WAGERS IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000.00)**

- A. Prior to accepting any Sports wager in excess of ten thousand dollars (\$10,000.00) or making a payout in excess of ten thousand dollars (\$10,000.00) on a winning Sports wager the Facility shall obtain the Player's:
  - 1. Name;
  - 2. Permanent address;
  - 3. Social Security or passport number; and



4. Identification credentials in one of the following forms:

- Driver's license;
- Passport;
- Non-resident alien identification card;
- Other reliable government-issued identification credentials; or
- Other picture identification credential normally acceptable as a means of identification when cashing checks.

B. Identification credentials obtained to verify the Player's name and other required information must be carefully examined by the Facility to ensure its accuracy.

**20.30 PRIZE PAYOUTS IN EXCESS OF TEN THOUSAND DOLLARS (\$10,000.00)**

A. Prior to making a payout in excess of ten thousand dollars (\$10,000.00) on a winning Sports wager, the Facility shall record/maintain records that include:

1. Player's name;
2. Player's address;
3. Player's social security number;
4. Description of the identification credentials examined, including document number;
5. Amount of the wager and payout;
6. Window number or other identification of the location where the wager and payout occurred;
7. The time and date of the wager and payout;
8. The names and signatures of the Facility employees accepting or approving the wager and payout on the wager; and
9. Any other information as required by the Division.

B. A Facility shall not implement alternative procedures to comply with this subsection without prior written approval of the Director.

**20.31 SPORTS WAGERING SERVICE PROVIDER EQUIPMENT**

A. The Service Provider shall maintain the current software and Sports Wagering Machines in good working order acceptable to the Division.

- B. The Service Provider shall pay all costs of any testing, examination, analysis and transportation of the Sports Wagering Machines. The Division shall have no liability for any damage or destruction.
- C. The Service Provider shall submit all hardware, software, and test equipment necessary for testing Sports Wagering Machines.
- D. The software or other equivalent technology of each Sports Wagering Machine shall be certified to be in compliance with published specifications of an independent, third-party testing laboratory.
- E. No Sports Wagering Machine shall be put into use prior to certification of its model by the Division.
- F. The Service Provider may not change the assembly or operational functions of any of its Sports Wagering Machines approved for placement in Rhode Island unless approved by the Division.

## **CHAPTER TWENTY-ONE**

### **MULTI-STATE GAME RULES**

#### **LUCKY FOR LIFE™**

##### **21.1 DEFINITIONS**

- A. The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Connecticut Lottery Corporation, the Maine State Liquor & Lottery Commission, the Massachusetts State Lottery Commission, the New Hampshire Lottery Commission, the Rhode Island Division of Lottery, and the Vermont Lottery Commission (hereinafter the “New England Lotteries”).

In addition to the New England Lotteries, other lotteries may, from time to time, offer the Game in their respective jurisdictions (collectively the “Licensee Lotteries”).

The New England Lotteries and the Licensee Lotteries are together referred to as the “Party Lotteries” or individually as a “Party Lottery”.

1. “Advance Action” or “Multi Draw” shall mean the type of betting in which Wagers may be placed for future Game Drawings as available in each Party Lottery jurisdiction.
2. “Annuitized Payment Option” shall mean a manner in which the Game’s Top Prize or second prize (also referred to as “Prize Level #2”) may be paid in equal payments or installments. The Annuitized Payment Option shall be calculated on an annual basis. The schedule of payments shall be at the discretion of each Party Lottery.
3. “Cash Option” shall mean a manner in which the Game’s Top Prize or second prize may be paid upon the Winner’s request in one single cash payment as an alternative to the Annuitized Payment Option.
4. “Claimant” or “Winner” shall mean any natural person or legal entity submitting a winning Game Ticket within the required prize claim period. A Claimant may be the Purchaser, the natural person or legal entity named on the back of a signed Game Ticket, the bearer of an unsigned Game Ticket, or any other natural person or legal entity who may seek entitlement to a prize payment in accordance with each Party Lottery’s jurisdictional laws. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase.

5. “Clearinghouse Lottery” shall refer to the Party Lottery or other duly-authorized entity responsible for collecting and transferring prize payouts on behalf of all Party Lotteries.
6. “Drawing” shall mean the formal process of selecting Winning Numbers which conclusively determines the number of Winners for each prize level of the Game.
7. “Expired Unclaimed Prize Fund” shall mean the value of the prizes which remain unclaimed after the prize claim period expires.
8. “Game Play(s)” shall mean that area of the Play Slip, also known as a “board” or “panel”, which contains two (2) sets of numbered squares to be marked by the Player. The first set (Matrix 1) contains forty-eight (48) squares, numbered one (1) through forty-eight (48) inclusive; the second set (Matrix 2) contains eighteen (18) squares, numbered one (1) through eighteen (18) inclusive.
9. “Game Ticket” or “Ticket” shall mean an acceptable evidence of Game Play which represents a Wager accepted by the On-Line Gaming System of a Party Lottery meeting the specifications defined in these Rules.
10. “Liability Limit” shall mean a pre-established threshold, as determined in advance by the New England Lottery Directors for paying Top Prize, second prize, and third prize claims, as set forth more fully in these Rules.
11. “Lucky Ball” shall mean the number selected from the second set of numbers (Matrix 2) in each Drawing.
12. “Lump Sum Cash Payment” shall mean the manner in which the Game’s Top Prize or second prize is required to be paid in one (1) single cash payment when the liability limit is exceeded and no Annuitized Payment Option is available, as set forth more fully in these Rules.
13. “On-Line Gaming System” shall mean a Party Lottery’s computer wagering system that issues and validates Game Tickets.
14. “Play”, “Bet”, or “Wager” shall mean the six (6) numbers (the first five (5) from a field of forty-eight (48) numbers inclusive, and one (1) Lucky Ball number from a field of eighteen (18) numbers inclusive) that appear on a Game Ticket as a single-lettered Play, board or panel, and are played by a Player in the Game.
15. “Play Slip”, “Selection Slip”, or “Bet Slip” shall mean a card used in marking a Player’s Game Plays or Wagers.

16. "Player" or "Purchaser" shall mean a natural person(s) or legal entity who buys Game Tickets in accordance with these Rules and jurisdictional laws.
17. "Quick Pick", or any other such term utilized by a Party Lottery, shall mean the random selection of six (6) numbers resulting in a Wager accepted by the On-Line Gaming System of a Party Lottery.
18. "Retailer", "Sales Retailer", or "Sales Agent" shall mean a natural person or legal entity licensed and/or authorized by a Party Lottery to sell and redeem Game Tickets.
19. "Selling Lottery" shall mean the Party Lottery which sold a winning Game Ticket.
20. "Set Prize" shall mean a pre-determined prize payout which is paid in a single cash payment. Set Prizes shall apply to the lowest eight (8) prize levels. They may also apply, however, to the Top Prize and second prize under certain conditions established in these Rules.
21. "Split Prize" shall mean a pre-determined Set Prize payout that is divided equally among the number of winning Game Tickets of a prize level. Split Prizes shall only apply to the Game's Top Prize, the Prize Level #2, and Prize Level #3 Winners as set forth more fully in Game Rules.
22. "Subscription Ticket", "Season Ticket", or any other such term utilized by a Party Lottery shall mean a Ticket sold with an extended, multi-draw purchase option wherein the same set(s) of numbers may be played for a specified number of consecutive Drawings. The Subscription Ticket shall be effective on a future date as prescribed by the Party Lottery's jurisdictional laws.
23. "Terminal" shall mean a device, including but not limited to Player Activated Terminals (PATs), Self-Service Terminals (SSTs) and Ticket Vending Machines (TVMs), authorized to function in an on-line, interactive mode with the On-Line Gaming System for the purpose of issuing and validating lottery transactions.
24. "Top Prize" shall mean the Game's first prize.
25. "Winning Numbers" shall mean the six (6) numbers (the first five (5) numbers from Matrix 1 and the one (1) Lucky Ball number from Matrix 2 ) that are randomly selected in each Drawing and used to determine the winning Plays contained on a Game Ticket.

## **21.2 GAME DESCRIPTION**

- A. The Game is a double matrix-style Game, drawn each Monday and Thursday, in which Players select five (5) unique numbers in the Matrix 1 from one (1) to forty-eight (48) inclusive PLUS one (1) Lucky Ball number in the Matrix 2 from one (1) to eighteen (18) inclusive. The additional number may be the same as one (1) of the first five (5) numbers selected by the Player.
- B. Game Tickets must be purchased from a Terminal operated by a Sales Retailer, a Player Activated Terminal (if available) by using a touch screen, or by inserting a Play Slip into the machine, a lottery subscription system (if available), or such other means as approved by a Party Lottery.
- C. Tickets shall include, but not be limited to, the Player's number selections, Game logo or Game name, Ticket cost, Terminal number, barcode, Quick Pick (if selected), serial number and Drawing date. Advance Action Tickets shall visibly show the beginning and ending draw dates. Game Tickets may also include the selling date, time stamp, and any information required by a Party Lottery's jurisdictional laws pertaining to the validation of Game Tickets.

## **21.3 TICKET PRICE**

- A. Each Game Ticket shall be sold at retail for the price set in these Rules.
- B. The Game Ticket price shall include all the applicable taxes which a Party Lottery may be required to collect.
- C. Game Tickets may be purchased for two dollars (\$2.00) per play, or multiples thereof, in accordance with these Rules. The Player receives one (1) play for each two dollar (\$2.00) Wager.
- D. Promotions shall mean marketing or advertising intended to increase sales of the Game Tickets (excluding Subscription Tickets or Advance Action) through a discount or rebate. A Party Lottery may offer Game Tickets through promotions, without approval of the other Party Lotteries, for a period not to exceed ninety (90) days in any six (6) month period, as long as advance notification of five (5) days is provided to all Party Lotteries of the terms and dates of the promotional offering.
- E. A Party Lottery may offer Game Tickets as a prize in any other lottery Game after advising all Party Lotteries of the terms and dates of such action.
- F. A Party Lottery may offer Game Tickets as a prize or as part of an authorized promotion provided that all such Game Ticket sales are assessed and reported to the prize pool at the full gross sales amount.

#### **21.4 PLAY RESTRICTIONS**

- A. Game Tickets shall not be sold to or purchased by minors under the age of eighteen (18) years.
- B. Subject to each Party Lottery's jurisdictional laws, Game Tickets may not be cashed or redeemed by minors under the age of eighteen (18) years.
- C. Game Tickets shall not be purchased, and a prize won by any such Game Ticket or share, either in whole or in part, shall not be paid to:
  - 1. A Party Lottery employee, officer, director, board member, or commissioner.
  - 2. A contractor or consultant under agreement with any Party Lottery to perform audit and security procedures.
  - 3. An employee of the independent certified public accounting firm under contract with any New England Lottery to oversee Game Drawings.
  - 4. An employee of the Party Lottery's on-line vendor.
  - 5. An employee of the Party Lottery's advertising or public relations provider.
  - 6. An employee of the Party Lottery's instant ticket print vendors.
  - 7. An immediate family member (parent, stepparent, child, stepchild, spouse, sibling or person engaged in a domestic partnership or civil union) of an individual described above residing as a member of the same household in the principal place of residence of any such person.
  - 8. Those persons designated herein as ineligible to play the Game shall also be ineligible to play the Game in all other Party Lottery jurisdictions selling the Game.

#### **21.5 TICKET CANCELLATIONS PROHIBITED**

- A. A Game Ticket may not be cancelled or voided by returning the Game Ticket to the Sales Retailer or to a Party Lottery. A Game Ticket accepted by the Sales Retailer as a returned Ticket and which cannot be resold shall be deemed as owned by the bearer thereof. This prohibition also applies to a Game Ticket that may be printed in error by the Sales Retailer. Subject to each Party Lottery's jurisdictional laws, no Game Ticket, or physical portion thereof, which may be used to claim a prize, shall be returned to any Party Lottery for credit.

## **21.6 GAME SELL-OUT PROHIBITED**

- A. A Party Lottery shall not directly and knowingly sell a Game Ticket or combination of Game Tickets to any natural person or legal entity that would guarantee such Purchaser a Top Prize or second prize win.

## **21.7 CLAIMS**

- A. A Game Ticket, subject to the validation requirements of a Party Lottery as detailed in these Rules, shall be the only proof of a Game play (or Plays); and the submission of a winning Game Ticket to a Party Lottery or its Sales Retailer shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Game Ticket purchase or of numbers selected. Under no circumstances will a claim be paid for a Top Prize or a second prize without a winning Game Ticket. Subject to each Party Lottery's jurisdictional laws, lost or missing Game Tickets may not be honored or processed for payment or replacement.

## **21.8 USE OF PLAY SLIPS**

- A. Players may submit a completed Play Slip to any Sales Retailer to have issued a Game Ticket. Play Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections. The use of facsimiles of Play Slips, copies of Play Slips, or other materials that are inserted into the Terminal's Play Slip reader that are not printed or approved by the Party Lottery is not permitted. Sales Retailers shall not permit any device to be connected to a Terminal to enter plays, except as approved by its Party Lottery.

## **21.9 MANUAL ENTRY**

- A. Players may convey their number selections to any Sales Retailer to obtain a Game Ticket. Such number selections shall be manually entered into the Terminal by the Sales Retailer.

## **21.10 QUICK PICK**

- A. Players may either request a Quick Pick Game Ticket from a Sales Retailer or may select the Quick Pick option on the Play Slip and submit the completed Play Slip to any Sales Retailer. Quick Pick shall be differentiated from Customer Select in that Quick Pick shall refer to the random selection of numbers made by the On-Line Gaming System rather than by the Player.



### **21.11 PLAYER SELECT**

- A. Players may select their own numbers by completing a Play Slip or by conveying their number selections directly to any Sales Retailer. Customer Select shall be differentiated from Quick Pick in that Customer Select shall refer to number selections made by the Player rather than the On-Line Gaming System.

### **21.12 ADVANCE ACTION OR MULTI-DRAW**

- A. Game Tickets may be purchased for future Drawings, as available in each Party Lottery jurisdiction.

### **21.13 SUBSCRIPTIONS**

- A. Game Tickets may be purchased by subscription, if available in a Party Lottery jurisdiction.

### **21.14 LIMITED TO HIGHEST PRIZE WON**

- A. In connection with the Winning Numbers drawn, the holder of a winning Game Ticket may win only one (1) prize per Play, board or panel, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

### **21.15 PRIZE CLAIM PERIOD**

- A. The prize claim period shall be determined by each Party Lottery.

### **21.16 PLAYER RESPONSIBILITY**

- A. It shall be the sole responsibility of the Player to verify the accuracy of the Game Play (or Plays) and the other data printed on the Game Ticket. The placing of Wagers is done at the Player's own risk through the Sales Retailer.

### **21.17 PRIZE PAYMENTS**

- A. A Party Lottery may not pay prizes that are less than or more than the prize amounts established in accordance with these Rules. The prize won cannot be indirectly increased by promotions or Retailer activity.

### **21.18 PRIZE LIABILITY LIMITS, PRIZE PAYOUTS, AND PRIZE LEVELS**

- A. The following paragraphs define the prize liability limits, prize payouts, and prize levels.
  - 1. There are ten (10) prize levels in the Game.

2. Except as provided in these Rules, the Top Prize (Prize Level #1) shall be annuitized and based on a Top Prize liability that will be split equally among the number of winning Game Tickets. A Top Prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of Drawings. Notice of the amount of and changes to the Cash Option shall be posted on the Game's website and/or published in each Party Lottery jurisdiction in a manner determined by that Party Lottery (hereinafter referred to as the "Published Notice") at least thirty (30) days prior to the first Drawing to which it is applicable. Under certain circumstances, as detailed below, the Top Prize is required to be paid in a Lump Sum Cash Payment and no Annuitized Payment Option is available.
3. If there is one (1) Top Prize Winner, the annuitized prize value will be seven thousand dollars (\$7,000.00) per week for life. As an alternative to the Annuitized Payment Option, the Top Prize Winner may request the Top Prize Cash Option in the amount set forth in the Published Notice.
4. If there are between one (1) and fourteen (14) Top Prize Winners, the Annuitized Payment Option, based on an annuitized prize value of seven thousand dollars (\$7,000.00) per week, will be divided by the total number of Top Prize Winners. The minimum annuitized prize value for this category will be five hundred dollars (\$500.00) a week for life. Any of these two (2) to fourteen (14) Top Prize Winners may choose the Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be the amount of the Top Prize Cash Option set forth in the Published Notice divided by the total number of Top Prize Winners. The minimum Cash Option for this category will be the amount set forth in the Published Notice.
5. If there are fifteen (15) or more Top Prize Winners, the Top Prize liability shall be capped at seven million one hundred twenty-five thousand dollars (\$7,125,000.00) and shall be split equally among all Top Prize Winners and paid in one Lump Sum Cash Payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower-tier prize paid in that respective Drawing.
6. The Winner(s) of the Top Prize who do not request the Cash Option shall be paid their appropriate Top Prize share on a weekly basis, or according to such other schedule of payments set at the discretion of each Party Lottery, as permitted in these Rules, for a minimum period of twenty (20) years. The first Top Prize payment will be made when the prize is claimed at the Selling Lottery's Headquarters.

7. For a single Wager, the measuring life of a Top Prize Winner used to determine the duration over which the Top Prize is paid, shall be the natural life of the individual determined by the Selling Lottery to be a Top Prize Winner. If the Top Prize under a single Wager is being claimed by more than one natural person or by a legal entity, the measuring life for a Top Prize Winner shall be twenty (20) years.
8. If paid in a Lump Sum Cash Payment, Top Prize amounts will be rounded to the nearest whole dollar.
9. Except as provided in these Rules, the second prize (Prize Level #2) Winner will be paid twenty-five thousand dollars (\$25,000.00) a year for life. A second prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of Drawings. Notice of the amount of and changes to the Cash Option shall be posted on the Game's website and/or published in each jurisdiction in a manner determined by each Party Lottery's Published Notice. Under certain circumstances, as detailed below, the second prize is required to be paid in a single Lump Sum Cash Payment and no Annuitized Payment Option is available.
10. If there are between one (1) and twenty (20) second prize Winner(s), the annuitized prize value will be twenty-five thousand dollars (\$25,000.00) per year for life. Any of these one (1) to twenty (20) second prize Winner(s) may choose the second prize Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be set forth in the Published Notice.
11. If there are twenty-one (21) or more second prize Winners, the second prize liability shall be capped at nine million four hundred thousand dollars (\$9,400,000.00) and shall be split equally among all second prize Winners and shall be paid in one Lump Sum Cash Payment, without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower-tier prize paid in that respective Drawing.
12. The Winner(s) of the second prize who do not request the Cash Option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years. The initial second prize payment will be made when the prize is claimed at the Selling Lottery's Headquarters; subsequent second prize payments will be made annually thereafter.
13. For a single Wager, the measuring life of a second prize Winner used to determine the duration over which the second prize is paid, shall

be the natural life of the individual determined by the Selling Lottery to be a second prize Winner. If the second prize under a single Wager is being claimed by more than one (1) natural person or by a legal entity, the measuring life for a second prize Winner shall be twenty (20) years.

14. If paid in a Lump Sum Cash Payment, second prize amounts will be rounded to the nearest whole dollar.
15. Except as provided in these Rules, the second prize (Prize Level #2) Winner will be paid twenty-five thousand dollars (\$25,000.00) per year for life. A second prize Winner may request the Cash Option, the amount of which is to be established by the New England Lotteries for a defined period of Drawings. Notice of the amount of and changes to the Cash Option shall be posted on the Game's website and/or by each Party Lottery's Published Notice. Under certain circumstances, as detailed below, the second prize is required to be paid in a single Lump Sum Cash Payment and no Annuitized Payment Option is available.
16. If there are between one (1) and twenty (20) second prize Winners, the annuitized prize value will be twenty-five thousand dollars (\$25,000.00) per year for life. Any of these one (1) to twenty (20) second prize Winners may choose the second prize Cash Option as an alternative to the Annuitized Payment Option. The amount of the Cash Option for this category will be set forth in the Published Notice.
17. If there are twenty-one (21) or more second prize Winners, the second prize liability shall be capped at nine million four hundred thousand dollars (\$9,400,000.00) and shall be split equally among all second prize Winners, and shall be paid in a single Lump Sum Cash Payment without an Annuitized Payment Option. The minimum prize value for this category shall not be less than any lower tier prize paid in that respective Drawing.
18. The Winner(s) of the second prize who do not request the Cash Option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years. The initial second prize payment will be made when the prize is claimed at the Selling Lottery's Headquarters; subsequent second prize payments will be made annually thereafter.
19. For a single Wager, the measuring life of a second prize Winner used to determine the duration over which the second prize is paid, shall be the natural life of the individual determined by the Selling Lottery to be the second prize Winner. If the second prize under a single Wager is being claimed by more than one (1) natural person or by a

legal entity, the measuring life for that second prize Winner shall be twenty (20) years.

20. If paid in a Lump Sum Cash Payment, second prize amounts will be rounded to the nearest whole dollar.
21. Except as provided in these Rules, the third prize (Prize Level #3) will be paid as a five thousand dollars (\$5,000.00) Set Prize. If there are more than one thousand (1,000) Winners of this prize level in a single Drawing, the total prize liability of five million dollars (\$5,000,000.00) ( $\$5,000.00 \times 1,000$ ) will be split equally among the Winners. Under no circumstances, however, will the third prize fall below a minimum prize value of two hundred dollars (\$200.00) per Winner, regardless of the number of Winners. Third prizes will be rounded to the nearest whole dollar and paid in one single cash payment.
22. The remaining prize levels (Prize Level #4 through Prize Level #10) will be paid as low-tier Set Prizes. Prizes will be rounded to the nearest whole dollar and paid in one single cash payment.

#### **21.19 ENTITLEMENT TO PRIZES BY WINNERS**

- A. The holder of a winning Game Ticket shall be entitled only to the prize won by matching the Winning Numbers in the highest matching prize category.

#### **21.20 PAYMENT OF PRIZES**

- A. All winning Game Tickets, including the Top Prize and second prize winning Tickets, shall be paid in accordance with these Rules and jurisdictional laws. Each Party Lottery shall withhold taxes and other required withholdings in accordance with applicable federal and jurisdictional laws. To be a valid Game Ticket and eligible to receive a prize, a winning Game Ticket shall satisfy all the requirements established for the validation of winning Game Tickets sold through each Party Lottery's On-Line Gaming System and any other requirements adopted by the New England Lottery Directors. Party Lotteries shall not be responsible for Game Tickets which are altered in any manner.
  1. Except in the case of a Cash Option payment or a Lump Sum Cash Payment paid in accordance with these Rules, annuitized prize payments shall be made for the measuring life of the Top Prize or second prize Winner. All annuitized payments shall be made for a minimum of twenty (20) years. The measuring life as defined in these Rules shall be determined at the time the Top Prize or second prize is claimed. In the event that annuitized prize payments are assigned, if allowable under jurisdictional law, or assigned by a court order, the measuring life at the time the Top Prize or second

prize was claimed shall not change and limit or extend the number of annuitized payments due any assignee, court-ordered or otherwise. In the event of the death of a Top Prize or second prize Winner during the annuity payment period, the Selling Lottery, with the approval of the New England Lotteries, upon petition of the estate of that Winner (the "Estate") to the Selling Lottery, and subject to the Selling Lottery's jurisdictional laws, may accelerate the payment of all the remaining lottery proceeds to the Estate.

2. If the annuitant dies during the annuity payment period but before the guaranteed prize has been paid, the Estate shall receive the remaining payments equal to the minimum guaranteed prize amount.
3. If the annuitant dies during the annuity payment period but after the minimum guaranteed prize has been paid, all payments shall stop.
4. All low-tier Set Prizes (all prizes except the Top Prize and second prize) shall be paid in one single cash payment through the Selling Lottery that sold the winning Game Ticket(s). A Selling Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the Clearinghouse Lottery.

**21.21 STATISTICAL INFORMATION**

A. The following table details statistical information relevant to the Game:

<b><u>PRIZE LEVEL</u></b>	<b><u>5/48 MATRIX 1</u></b>	<b><u>1/18 MATRIX 2</u></b>	<b><u>PROBABILITY</u></b>	<b><u>PRIZE</u></b>
1	5	1	1:30,821,472.000	\$7,000/Week/Life*
2	5	0	1:1,813,027.765	\$25,000/Year/Life*
3	4	1	1:143,355.684	\$5,000*
4	4	0	1:8,432.687	\$200
5	3	1	1:3,413.231	\$150
6	3	0	1:200.778	\$20
7	2	1	1:249.749	\$25
8	2	0	1:14.691	\$3
9	1	1	1:49.950	\$6
10	0	1	1:32.019	\$4

\*Prize amounts may be split if there are multiple Winners, in accordance with the provisions established in these Rules. Split Prizes may be lower than the published prize amounts.

## **21.22 DISPUTES**

- A. In the event a dispute between a Selling Lottery and a Game Ticket bearer occurs as to whether the Game Ticket is a winning Ticket, and if the Ticket prize is not paid, the Selling Lottery may, solely at its option and discretion, reimburse the Game Ticket bearer the purchase price of the Ticket. This shall be the Game Ticket bearer's sole and exclusive remedy.

## **21.23 APPLICABLE LAW**

- A. In purchasing a Game Ticket, the following provisions apply:
1. The Purchaser agrees to comply with and abide by the Selling Lottery's jurisdictional laws and final decisions, as well as all rules established for the conduct of the Game.
  2. Decisions made by the Selling Lottery Director, including the declaration of prizes and the payment thereof, and the interpretation of these Rules, shall be final and binding on all Purchasers and on every person making a claim in respect thereof. In the event of conflict, however, between these Official Game Rules and the applicable Selling Lottery's jurisdictional laws, the applicable Selling Lottery's jurisdictional laws shall control.
  3. Any claims or litigation relating to the Game Tickets and/or prizes (a) shall be subject to and resolved in accordance to the laws, rules, and regulations of the Selling Lottery jurisdiction in which the Game Ticket was purchased; (b) must be brought in, and strictly limited to, the courts located within the jurisdiction of the Selling Lottery in which the Game Ticket was purchased; and (c) can only be brought against the Selling Lottery in the jurisdiction where such Game Ticket was purchased.