





# INTEROFFICE MEMO

Gary Grief, Executive Director

Alfonso D. Royal III, Charitable Bingo Operations Director

Approved

Denied

**To:** J. Winston Krause, Chairman  
Carmen Arrieta-Candelaria, Commissioner  
Peggy A. Heeg, Commissioner  
Doug Lowe, Commissioner  
Robert Rivera, Commissioner

**From:** Deanne Rienstra, Assistant General Counsel

*DFR*

**Date:** October 5, 2017

**Re:** Consideration of and possible discussion and/or action, including proposal, on amendments to 16 TAC §401.305 ("Lotto Texas" On-Line Game Rule)

Attached for your consideration is Commission staff's proposal for amendments to 16 TAC §401.305 ("Lotto Texas" On-Line Game Rule). The purpose of the proposed amendments is to offer Lotto Texas® Winner Take All®, a promotional play option, which will give the player a chance to win the Lotto Texas Winner Take All Prize during bonus drawings to be held on Mondays and Thursdays.

The proposed amendments also include language to facilitate the potential future sale of lottery tickets using Commission-approved third-party point-of-sale systems, including updating how tickets are printed on such systems. Finally, the proposed amendments make conforming changes that match rule language to current Commission (and industry) practice and terminology, including changing the reference to the Lotto Texas game from "on-line" to "draw" and other clarifications of meanings and terms. The Commission anticipates the new Lotto Texas Winner Take All promotion to be implemented April 15, 2018.

The submission prepared for the *Texas Register* includes a notice of public hearing to be held on the proposed amendments at 9:30 a.m. on Wednesday, November 8, 2017.

Recommendation: Staff recommends the Commission initiate the rulemaking process by publishing the attached proposal in the *Texas Register* to receive public comment for a period of 30 days.

1           The Texas Lottery Commission (Commission) proposes amendments to 16 TAC §401.305  
2 “Lotto Texas” On-Line Game Rule. The purpose of the proposed amendments is to add Lotto  
3 Texas<sup>®</sup> Winner Take All<sup>®</sup>, a promotional play option the player may purchase for an additional  
4 one dollar (\$1.00), which will give player a chance to win the Lotto Texas Winner Take All Prize  
5 during bonus drawings. The bonus drawings for this promotion will be held on Mondays and  
6 Thursdays. The single prize, based upon the sales of the promotional play feature, will be divided  
7 equally among all holders of winning plays. The Commission anticipates the new Lotto Texas  
8 Winner Take All promotion to be implemented April 15, 2018.

9           The proposed amendments also include language to facilitate the potential future sale of  
10 lottery tickets using Commission-approved third-party point-of-sale systems, including updating  
11 how tickets are printed on such systems. Finally, the proposed amendments make conforming  
12 changes that match rule language to current Commission (and industry) practice and terminology,  
13 including changing the reference to the Lotto Texas game from “on-line” to “draw” and other  
14 clarifications of meanings and terms.

15           Kathy Pyka, Controller, has determined that for each year of the first five years the  
16 amendments will be in effect, there will be no significant fiscal impact for state or local  
17 governments as a result of the proposed amendments. There will be no adverse effect on small  
18 businesses or rural communities, micro businesses, or local or state employment. There will be no  
19 additional economic cost to persons required to comply with the amendments, as proposed.  
20 Furthermore, an Economic Impact Statement and Regulatory Flexibility Analysis is not required  
21 because the proposed amendments will not have an adverse economic effect on small businesses  
22 or rural communities as defined in Texas Government Code §2006.001(1-a) and (2).

1 Michael Anger, Director of Lottery Operations, has determined that for each year of the  
2 first five years the proposed amendments will be in effect, the public benefit anticipated is  
3 providing Texas Lottery players with notification of the changes to the Lotto Texas game,  
4 specifically the addition of new Lotto Texas bonus drawings called Lotto Texas Winner Take All.  
5 The addition of Lotto Texas Winner Take All offers players who chose to participate in these  
6 bonus drawings the potential to win prizes in the additional drawings. Also, included in the  
7 anticipated public benefit is allowing for increased convenience for lottery ticket purchasers  
8 through the use of Commission-approved third-party point-of-sale systems, as well as a more  
9 understandable rule aligned with Commission practice.

10 The Commission requests comments on the proposed amendments from any interested  
11 person. Comments on the proposed amendments may be submitted to Deanne Rienstra, Assistant  
12 General Counsel, by mail at Texas Lottery Commission, P.O. Box 16630, Austin, Texas 78761-  
13 6630; by facsimile at (512) 344-5189; or by email at legal.input@lottery.state.tx.us. The  
14 Commission will hold a public hearing on this proposal on November 8, 2017, at 9:30 a.m., at 611  
15 E. 6th Street, Austin, Texas 78701. Comments must be received within 30 days after publication  
16 of this proposal in the Texas Register in order to be considered.

17 These amendments are proposed under Texas Government Code §466.015(c), which  
18 authorizes the Commission to adopt rules governing the operation of the lottery; §466.451, which  
19 authorizes the Commission to adopt rules relating to a multi-jurisdiction lottery game; and  
20 §467.102, which authorizes the Commission to adopt rules for the enforcement and administration  
21 of the laws under the Commission's jurisdiction.

22 This proposal is intended to implement Texas Government Code Chapter 466.  
23 §401.305. "Lotto Texas<sup>®</sup>" Draw On-Line Game Rule.

1 (a) Lotto Texas<sup>®</sup>. The executive director is authorized to conduct a game known as "Lotto Texas."  
2 The executive director may issue further directives for the conduct of Lotto Texas that are  
3 consistent with this rule. In the case of conflict, this rule takes precedence over §401.304 of this  
4 title (relating to Draw On-Line Game Rules (General)). Lotto Texas consists of a base game for  
5 which plays may be purchased for the opportunity to win prizes during drawings in accordance  
6 with this section. Lotto Texas With Extra!<sup>®</sup> is an add-on feature that allows players who purchase  
7 this feature to increase non-jackpot prize amounts. Lotto Texas<sup>®</sup> Winner Take All<sup>®</sup> (LTWTA) is  
8 a promotional play option which offers the players who purchase this option the opportunity to  
9 win the Lotto Texas Winner Take All Prize (LTWTA Prize) in a promotional drawing conducted  
10 in accordance with this section.

11 (b) Definitions. In addition to the definitions provided in §401.301 of this title (relating to General  
12 Definitions), and unless the context in this rule otherwise requires, the following definitions apply:  
13 ~~When used in this rule, the following words and terms shall have the following meanings, unless~~  
14 ~~the context clearly indicates otherwise.~~

15 (1) Lotto Texas Play – A Lotto Texas Play refers to the ~~The~~ selection of six different  
16 numbers from 1 through 54 for one opportunity to win a prize in the Lotto Texas base game and  
17 the purchase of a ticket evidencing that selection. A Lotto Texas With Extra! Play refers to a play  
18 purchased as part of the Extra! feature fully described in subsection (g) of this section. A Lotto  
19 Texas Winner Take All Play (LTWTA Play) refers to a play purchased as part of the LTWTA  
20 promotion fully described in subsection (i) of this section.

21 (2) Playboard—A panel on a Playslip containing a ~~a~~ field of 54 numbers on a playslip for  
22 use in selecting numbers for a Lotto Texas Play. ~~play.~~

1 (3) Playslip--An optically readable card issued by the commission for use in selecting  
2 numbers for one or more Lotto Texas Plays. ~~plays~~.

3 (4) Roll cycle--A series of drawings that ends when there is a drawing for which one or  
4 more tickets are sold that match the six numbers drawn in the Lotto Texas base game drawing. A  
5 new roll cycle begins with the next Lotto Texas base game drawing after a ~~drawing for which~~ one  
6 or more ~~jackpot~~ tickets are sold that match the six numbers drawn in the drawing. The LTWTA  
7 promotion does not contribute to increases in the Lotto Texas base game jackpot roll cycle.

8 (5) Lotto Texas Winner Take All Drawing (LTWTA Drawing) – The LTWTA Drawing  
9 refers to the drawing event separate from the Lotto Texas base game drawing and shall determine  
10 the winning combination of numbers for the LTWTA promotion. The numbers selected during the  
11 Lotto Texas base game drawing will not be used to determine the winning combination of numbers  
12 for the LTWTA Prize.

13 (6) Lotto Texas Winner Take All Prize (LTWTA Prize) – The LTWTA Prize refers to the  
14 prize for the LTWTA promotion set forth in subsection (i) of this section. The LTWTA Prize is  
15 determined by the sales of LTWTA Plays.

16 (c) Lotto Texas Plays and tickets.

17 (1) A Lotto Texas base game ticket may be sold only by ~~an on-line~~ retailer and only at the  
18 location listed on the retailer's license. A ticket sold by a person other than ~~an on-line~~ retailer is  
19 not valid.

20 (2) The price of a single play for the Lotto Texas base game is \$1.

21 (3) A player may complete up to five playboards on a single playslip.

(4) A player may use a single playslip or other ~~commission-approved~~~~Texas Lottery-~~~~approved~~ method of play to purchase the same play(s) for up to 10 consecutive drawings, to begin with the next drawing after the purchase.

(5) ~~Acceptable methods to~~ A player may only select ~~numbers for a play~~ may include:

(A) ~~by~~ using a self-service terminal;

(B) ~~by~~ using a playslip ~~to select numbers~~;

(C) ~~by~~ requesting a retailer to use Quick Pick; ~~to select numbers~~;

(D) ~~by~~ requesting a retailer to manually enter numbers;

(E) ~~by~~ using a previously-generated "Lotto Texas" ticket provided by the player; or

(F) ~~by~~ using a QR code generated through a Texas Lottery Mobile Application offered and approved by the ~~commission.~~~~Texas Lottery.~~

(6) Playslips must be completed manually. A ticket generated from a playslip that was not completed manually, or using a selection method that is not approved by the ~~commission~~~~Texas Lottery~~, is not valid.

(7) ~~An on-line~~ retailer may only accept a request for play using a ~~commission-~~~~approved~~~~Texas Lottery-~~~~approved~~ method of play, and if the request is made in person.

(8) At the time of making a play, a player may select the option for payment of the cash value or annuitized payments of a share of the jackpot if the play is a winning play. If no selection is made, payment option will be as described in the chart below:

Figure: 16 TAC §401.305(c)(8) )Terminal Type	Manual Entry	Playslip with No Payment Option Selected
GT1200 (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity	Playslip Rejected with message "Playslip Rejected. Select Payment Option."

GT1200C (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
GT Mini (Retailer Terminal)	Default to CVO; retailer toggles to choose Annuity.	Not Applicable.
Gemini (Self-service Terminal)	CVO only - designated on <u>drawn-line</u> game Quick Pick buttons.	Playslip Rejected with message "Playslip Rejected. Select Payment Option."
Third-party POS systems	CVO only-Quick Pick selections through authorized third-party systems.	N/A

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(9) ~~A~~ An on-line retailer shall issue a ticket as evidence of one or more plays. A ticket must show the numbers selected for each play, the number of plays, the draw date(s) for which the plays were purchased, the cost of the ticket, the jackpot payment option, and the security and transaction serial numbers. Tickets must be printed on official Texas Lottery paper stock, or, for third-party point-of-sale systems approved by the commission, printed on paper stock or otherwise issued in a manner approved by the commission to provide tangible evidence of participation in a lottery game.

(10) A playslip, or any document other than a ticket issued as described in paragraph (9) of this subsection, has no monetary value and is not evidence of a play.

(11) It shall be the exclusive responsibility of the player to verify the accuracy of the player's selection(s) and other data printed on the ticket. ~~The purchaser is responsible for verifying the accuracy of the numbers and other selections shown on a ticket.~~

(12) An unsigned winning ticket is payable to the holder or bearer of the ticket if the ticket meets all applicable validation requirements.

(13) The executive director may authorize promotions in connection with Lotto Texas.

(d) Drawings.



1 (1) Lotto Texas base game drawings shall be held each week on Wednesday and  
2 Saturday at 10:12 p.m., ~~central time~~ Central Time. The executive director may change the drawing  
3 schedule, if it is deemed necessary.

4 (2) Six different numbers from 1 through 54 shall be drawn at each ~~Lotto Texas~~  
5 drawing.

6 (3) Numbers drawn must be certified by the commission in accordance with the  
7 commission's draw ~~drawing~~ procedures.

8 (4) The numbers selected in each drawing shall be used to determine all winning  
9 playswinners for that drawing.

10 (5) Each drawing shall be witnessed by an independent certified public accountant. All  
11 drawing equipment used shall be examined by a commission drawings representative and the  
12 independent certified public accountant immediately before each drawing and immediately after  
13 each drawing.

14 (e) Lotto Texas Advertised Jackpots~~jackpots~~. For the Lotto Texas base game~~each~~ drawing, the  
15 commission shall approve a jackpot amount to be advertised in a manner prescribed by written  
16 procedure. The advertised amount shall be an amount payable in 30 annual installments. To the  
17 extent that advertised amount is based on projected sales, the projections shall be fair and  
18 reasonable. The commission may approve an increase in the amount of the jackpot originally  
19 advertised for a drawing if the increase is supported by reasonable sales projections and is  
20 prescribed by written procedure.

21 (f) Lotto Texas Prizes. The following prizes are intended for the Lotto Texas base game drawing  
22 only. These prizes do not apply to LTWTA promotional drawings.

23 (1) Jackpot prize (first prize).

1 (A) A person who holds a valid ticket for a play matching (in any order) the six  
2 numbers drawn in a drawing is entitled to a share of the jackpot prize (first prize) for the drawing.

3 (B) The jackpot prize for a drawing is the greater of:

4 (i) 40.47 percent of the proceeds from Lotto Texas ticket sales for all  
5 drawings in the roll cycle and any earnings on an investment of all or part of the proceeds from  
6 ticket sales, paid in 30 annual installments; or

7 (ii) The amount advertised in accordance with subsection (e) of this section  
8 as the estimated jackpot for the drawing, paid in 30 annual installments.

9 (C) Except as provided by subparagraph (F) of this paragraph, a person who is  
10 entitled to a share of a jackpot prize and who opted for annualized installment payments, shall  
11 receive payment in 30 annual installments.

12 (D) The first installment payment shall be made upon completion of commission  
13 validation procedures. The subsequent 29 installment payments shall be made annually on the 15th  
14 day of the month in which the applicable drawing occurred.

15 (E) The second through 29th installment payments shall be in equal amounts. The  
16 first installment payment may be equal to or higher than the subsequent installment payments.

17 (F) If a person would otherwise receive total installment payments of \$2 million or  
18 less, the commission shall pay the person, upon completion of all validation procedures, a single  
19 payment in the amount of the cash value of those total installment payments. The cash value is the  
20 cost on the first business day after the applicable drawing of funding those installment payments.

21 (G) A person who is entitled to a share of the jackpot and who selected the cash  
22 value option, or for whom the cash value option was automatically selected shall receive the greater  
23 of the following two amounts:

1 (i) a share of 40.47 percent of the proceeds from Lotto Texas ticket sales;

2 or

3 (ii) the cost on the day after the drawing of funding a share of installment  
4 payments under subparagraph (B)(ii) of this paragraph.

5 (H) A payment under subparagraph (G) of this paragraph shall be made upon  
6 completion of commission validation procedures.

7 (I) Any investment necessary to fund a jackpot prize shall be made on the first  
8 business day after a drawing for which one or more tickets were sold that match the six numbers  
9 drawn in the drawing.

10 (J) A claim for a jackpot prize must be presented at the Austin claim center.

11 (K) If 40.47 percent of the proceeds from Lotto Texas ticket sales is not sufficient  
12 to pay a jackpot prize, the commission shall use funds from other authorized sources, including  
13 the State Lottery Account as identified in Government Code, §466.355.

14 (2) Second prize.

15 (A) A person who holds a valid ticket for a play matching (in any order) five of the  
16 six numbers drawn in a drawing is entitled to a share of the second prize for that drawing.

17 (B) The second prize consists of 2.23 percent of the proceeds from Lotto Texas  
18 ticket sales for the drawing and any amounts carried forward under subparagraph (D) of this  
19 paragraph.

20 (C) A payment made to a person for a share of the second prize for a drawing shall  
21 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded  
22 up to the nearest whole dollar amount.

1 (D) Any part of the second prize for a drawing that is not paid in prizes shall be  
2 carried forward and shall become part of the second prize for the next drawing.

3 (3) Third prize.

4 (A) A person who holds a valid ticket for a play matching (in any order) four of the  
5 six numbers drawn in a drawing is entitled to a share of the third prize for that drawing.

6 (B) The third prize consists of 3.28 percent of the proceeds from Lotto Texas ticket  
7 sales for the drawing and any amounts carried forward under subparagraphs (C) and (D) of this  
8 paragraph.

9 (C) A payment made to a person for a share of the third prize for a drawing shall  
10 be rounded to the closest whole dollar amount. An amount of exactly fifty cents shall be rounded  
11 up to the nearest whole dollar amount.

12 (D) Any part of the third prize for a drawing that is not paid in prizes shall be carried  
13 forward and shall become part of the third prize for the next drawing.

14 (4) Fourth prize.

15 (A) A person who holds a valid ticket for a play matching (in any order) three of  
16 the six numbers drawn in a drawing is entitled to a guaranteed prize of \$3.

17 (B) If 4.02 percent of the proceeds from Lotto Texas ticket sales is not sufficient to  
18 pay all fourth prizes for a draw, the commission shall use funds from other authorized sources,  
19 including the State Lottery Account as identified in Government Code, §466.355.

20 (C) To the extent that the total amount of fourth prizes for a drawing is less than  
21 4.02 percent of the proceeds from ticket sales for the drawing, the difference shall be carried  
22 forward to fund future fourth prize payments.

1 (5) A person may win only one prize per play per drawing. A player who holds a valid  
2 ticket for a winning play is entitled to the highest prize for that play.

3 (6) A share of a prize is determined by dividing the prize by the number of winning plays  
4 for that prize.

5 (7) Jackpot payment amounts are calculated on the first business day after the applicable  
6 drawing. A claimant is not entitled to interest or other earnings on those amounts, regardless of  
7 when the claim is actually presented and regardless of the dates on which payments are made.

8 (g) Lotto Texas With Extra!<sup>®</sup>.

9 (1) A Lotto Texas player may purchase the Extra! feature by paying an additional \$1 per  
10 play at the time of his/her Lotto Texas base game ticket purchase.

11 (2) Extra! offers players a chance to increase the amount of any of the non-jackpot prizes  
12 won in a Lotto Texas base game drawing, and to win a prize for matching two of the six numbers  
13 drawn. The Extra! feature does not apply to a Lotto Texas base game jackpot prize (match six-of-  
14 six) or the LTWTA Prize.

15 (3) A Lotto Texas Play that wins one of the non-jackpot prizes or matches two of the six  
16 numbers drawn, and for which the player paid an additional \$1 for Extra!, shall be paid as follows:

17 Figure 16 TAC §401.305(g)(3)

18

<b>Lotto Texas<sup>®</sup> Prizes</b>	<b>Extra! Guaranteed Prize Amount</b>
Jackpot Prize or Match 6-of-6	Not applicable
Second Prize or Match 5-of-6	Second Prize Amount Plus \$10,000
Third Prize or Match 4-of-6	Third Prize Amount Plus \$100
Fourth Prize or Match 3-of-6	Fourth Prize Amount Plus \$10
Match 2-of-6	\$2

19  
20 (h) Lotto Texas Jackpot information on commission~~Commission~~ website.

1 (1) After the commission has approved an advertised estimated annuitized jackpot under  
2 subsection (e) of this section, the commission shall post the following information on the agency  
3 website:

4 (A) the amount of ticket sales, if any, for previous drawings in the roll cycle;

5 (B) the amount of projected ticket sales for the upcoming drawing;

6 (C) investment information used to determine the advertised estimated jackpot; and

7 (D) other information used to determine the advertised estimated jackpot.

8 (2) After the commission determines that one or more tickets have been sold that match  
9 the six numbers drawn in a drawing, the commission shall post on the agency website information  
10 used to calculate the Lotto Texas base game jackpot prize.

11 (i) Lotto Texas Winner Take All. Lotto Texas Winner Take All is a promotional play option  
12 for the Lotto Texas base game and is conducted in accordance with this Lotto Texas draw game  
13 rule.

14 (1) The promotion will begin at a time announced by the commission and will continue  
15 until discontinued by the commission.

16 (2) This promotion will offer to the holders of a qualifying LTWTA Play a chance to win  
17 the LTWTA Prize as a result of the selection winning combination of numbers in the LTWTA  
18 Drawing.

19 (3) To participate in the LTWTA promotion, a player must first purchase a Lotto Texas  
20 Play, as well as a Lotto Texas With Extra! Play, and then must pay an additional one dollar (\$1.00)  
21 per LTWTA Play for each Lotto Texas Play purchased.

22 (4) LTWTA is a six (6) out of fifty-four (54) play option promotion, drawn every Monday  
23 and Thursday, which pays a single LTWTA Prize paid as a pari-mutuel single lump sum payment.

1 The Lotto Texas base game numbers selected by the player (or randomly generated as a Quick  
2 Pick selection) in the qualifying purchase, shall be used as the LTWTA Play numbers if the  
3 LTWTA promotion has been purchased. The ticket evidencing the LTWTA Play shall  
4 conspicuously indicate the LTWTA Play numbers and shall indicate the date of drawing(s) for  
5 which the LTWTA Play is applicable. This information may be on the same ticket as the Lotto  
6 Texas base game play(s) or on a separate ticket, as determined by the commission.

7 (5) A LTWTA Drawing shall determine the winning combination of numbers for this  
8 promotion. During the drawing, six (6) numbers shall be drawn from a set of fifty-four (54)  
9 numbers, which shall constitute the winning combination of numbers.

10 (6) A purchased LTWTA Play shall qualify for the next scheduled LTWTA Drawing;  
11 advance purchases shall qualify for the drawings as indicated to the player on the ticket as recorded  
12 on the commission's lottery gaming system. For example, if a player purchases a qualifying  
13 LTWTA Play on a Thursday prior to the close of the LTWTA sales for that Thursday LTWTA  
14 Drawing, then the LTWTA play will qualify for that night's LTWTA Drawing (10:12 p.m., Central  
15 Time) and the Lotto Texas Play and Lotto Texas With Extra! Play will qualify for the next Lotto  
16 Texas base game drawing on Saturday; if the LTWTA Play is purchased on Thursday after the  
17 close of sales for the Thursday LTWTA Drawing, the Lotto Texas Play and Lotto Texas With  
18 Extra! Play will qualify for the next Lotto Texas base game drawing on Saturday and the LTWTA  
19 Play shall qualify for the next Monday LTWTA Drawing; if a Player purchases a qualifying  
20 LTWTA Play on a Sunday, then the LTWTA play will qualify for the next LTWTA Drawing on  
21 Monday and the Lotto Texas Play and Lotto Texas With Extra! Play will qualify for the next Lotto  
22 Texas base game drawing on Wednesday.

1           (7) The winning LTWTA Play(s) are determined as the play(s) matching the highest  
2 LTWTA winning combination of numbers (see paragraph (10) of this subsection). There is only  
3 one LTWTA Prize for each LTWTA Drawing and the LTWTA Prize will be divided on a pari-  
4 mutuel basis among all winning LTWTA Plays.

5           (8) The Lotto Texas With Extra! add-on feature is not applicable to the LTWTA  
6 promotional drawings and prize.

7           (9) LTWTA Prize Pool. The prize pool for the LTWTA Prize shall consist of fifty percent  
8 (50%) of each LTWTA Drawing period's sales of LTWTA Plays.

9           (10) LTWTA Expected Prize Payout Percentage and Winning Numbers Match  
10 Determination.

11           (A) Pari-Mutuel Determination. The LTWTA Prize payout shall be determined on  
12 a pari-mutuel basis. The LTWTA Prize awarded will consist of 100% of the allocated prize pool  
13 and shall be paid as a single lump sum payment to the LTWTA Play(s) matching the most winning  
14 numbers in a LTWTA Drawing as indicated below:

15           (i) The LTWTA Prize will be paid to the holder(s) of the LTWTA Play(s)  
16 that matches all six (6) of the numbers selected in the LTWTA Drawing.

17           (ii) If the LTWTA Prize has not been awarded under (i), then the LTWTA  
18 Prize will be awarded to the holder(s) of any LTWTA Play(s) that matches five (5) of the six (6)  
19 numbers selected in the LTWTA Drawing.

20           (iii) If the LTWTA Prize has not been awarded under (i) or (ii), then the  
21 LTWTA Prize will be awarded to the holder(s) of any LTWTA Play(s) that matches four (4) of  
22 the six (6) numbers selected in the LTWTA Drawing.



1 (iv) If the LTWTA Prize has not been awarded under (i) through (iii), then  
2 the LTWTA Prize will be awarded to the holder(s) of any LTWTA Play(s) that matches three (3)  
3 of the six (6) numbers selected in the LTWTA Drawing.

4 (v) If the LTWTA Prize has not been awarded under (i) through (iv), then  
5 the LTWTA Prize will be awarded to the holder(s) of any LTWTA Play(s) that matches two (2)  
6 of the six (6) numbers selected in the LTWTA Drawing.

7 (vi) If the LTWTA Prize has not been awarded under (i) through (v), then  
8 the LTWTA Prize will be awarded to the holder(s) of any LTWTA Play(s) that matches one (1) of  
9 the six (6) numbers selected in the LTWTA Drawing.

10 (xii) If all or a portion of the LTWTA Prize pool has not been awarded under  
11 (i) through (vi), then the prize pool shall be carried forward to the subsequent LTWTA Drawing.

12 (B) LTWTA Prize Pool Allocation. The LTWTA Prize Pool money allocated to  
13 the LTWTA Prize shall be divided on a pari-mutuel basis by the number of winning LTWTA  
14 Plays.

15 (C) LTWTA Prize Rounded; Breakage Carried Forward. The LTWTA Prize is a  
16 single prize that will be divided on a pari-mutuel basis among all holders of winning LTWTA  
17 Plays and shall be rounded to the closest whole dollar amount. An amount of exactly fifty cents  
18 shall be rounded up to the nearest whole dollar amount. A LTWTA Prize will never be less than  
19 one dollar (\$1.00). Breakage resulting from rounding these prizes shall be carried forward to the  
20 prize pool for the next LTWTA Drawing.

21 (11) LTWTA Probabilities. The following table sets forth the probability of a LTWTA  
22 Play matching the winning numbers from the LTWTA Drawing.

<u>Number of Matches Per LTWTA Play</u>	<u>Probability of Matching (Not a Probability of Winning)</u>
-----------------------------------------	-------------------------------------------------------------------

<u>6 of 6</u>	<u>1:25,827,165</u>
<u>5 of 6</u>	<u>1:89,678</u>
<u>4 of 6</u>	<u>1:1,526</u>
<u>3 of 6</u>	<u>1:75</u>
<u>2 of 6</u>	<u>1:9</u>
<u>1 of 6</u>	<u>1:3</u>

DRAFT