

ON-LINE LOTTO GAME

PLAY DIRECTIVE

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This directive is designed to provide a guideline for the conduct of on-line Lotto gaming. In the event of conflict between the provisions of this and any other directive or other publication of the Corporation concerning on-line Lotto gaming, the provisions of this directive shall govern.

Definitions

- **Lottery or Louisiana Lottery** -
The lottery or lotteries established and operated pursuant to the Louisiana Lottery Corporation Law.
- **Corporation** -
The Louisiana Lottery Corporation.
- **President** -
President of the Louisiana Lottery Corporation, or any other person to whom the President's authority is lawfully delegated.
- **On-Line Retailer** -
A Louisiana retailer who has entered into a licensing agreement with the Corporation whereby the retailer is authorized to sell on-line game tickets.
- **On-Line Lotto Game Ticket** -
An official ticket for the game of Lotto, issued by the Corporation, produced on official paper stock by an on-line retailer in an authorized manner, bearing player or computer selected numbers, figures and/or characters representing the type of wager, drawing date, amount of wager, and validation data. An official ticket for the game of Lotto must be generated as the result of an across-the-counter, cash transaction, fully initiated and consummated at an individual on-line retailer location. The ticket must be produced from the retailer terminal by means of the "Quick Pick" terminal key, manual entry by individual number selection from the terminal center keypad, or from a manually-marked, official playslip, issued by the Lottery through its retailer network. Any ticket generated by means of a counterfeit playslip, or by any other means than specifically authorized in this directive, shall not be deemed to be issued in an authorized manner, and shall be invalid and ineligible for prize award.
- **Authorized Claim Center** -
Any on-line retailer, Corporation Regional Office or Corporation Headquarters.
- **Quick-Pick** -
A player option by which Lotto number selections are determined, at random, by computer software.
- **Lotto Winning Numbers** -

Six (6) two digit numbers, from one (01) through forty (40), randomly selected at each on-line Lotto game drawing, which shall determine the winning on-line Lotto plays for each such drawing.

- **Lotto Winnings Pool -**

Fifty percent (50%) of Lotto gross sales for a particular game, dedicated to payment of prizes for that game. The Lotto winnings pool is divided into four (4) categories for payment of prizes attributable to Lotto game panels bearing six (6) of six (6) winning numbers, five (5) of six (6) winning numbers, four (4) of six (6) winning numbers, and three (3) of six (6) winning numbers respectively, for a particular game drawing, and a prize reserve pool. The Lotto six (6) of six (6) category shall be designated the Grand Prize Pool, and shall be pari-mutuel, with equal prize division among the number of Lotto game panels bearing six (6) of six (6) winning numbers on a single panel for the pool drawing. The Second-Prize Pool, for Lotto game panels bearing five (5) of six (6) winning numbers on a single panel, shall be pari-mutuel, with equal prize division among the number of Lotto game panels bearing five (5) of six (6) winning numbers on a single panel for the pool drawing. The Third-Prize Pool, for Lotto game panels bearing four (4) of six (6) winning numbers on a single panel shall be pari-mutuel, with equal prize division among the number of Lotto game panels bearing four (4) of six (6) winning numbers on a single panel for the pool drawing. The Fourth-Prize Pool, for Lotto game panels bearing three (3) of six (6) winning numbers on a single panel, shall have a guaranteed prize of \$3.00.

- **Lotto Prize Reserve Pool -**

The Prize Reserve Pool will be funded initially from the funds remaining in the Prize Reserve Pool of the previous six (6) of forty-four (44) Lotto game. The Prize Reserve Pool may be used to fund any short-fall in the Second, Third or Fourth Prize Pool, as well as any funds necessary for funding the announced Grand Prize Pool. At the President's discretion, funds in the prize reserve pool may be allocated to any prize fund of the Corporation. The President shall establish a minimum level for the Prize Reserve Pool. If the amount in the prize pool falls below the established minimum level, a percentage of gross Lotto game sales determined by the President shall be designated for the Prize Reserve Pool until such time as the established minimum level is attained.

- **Lotto Game Panel -**

That area of an official Lotto game ticket identified by an alpha character, A through E, containing six (6) two-digit player or computer selected numbers, reflected on the Corporation's computer records.

- **Lotto Bet Slip (or "playslip")** -
A machine-readable, official form issued by the Lottery through its retailer network, used in purchasing an official Lotto game ticket, having five (5) game panels, each containing forty (40) squares numbered one (1) through forty (40), and having each game panel identified by an alpha character: A, B, C, D, and E. To be acceptable for purposes of use in producing an official Lotto game ticket from an on-line computer terminal, the numbered squares must be manually marked by pen, pencil or ink-marker. Playslips marked by mechanical, electro-mechanical, electronic printing or other automated device are not authorized for use in production of official Lotto game tickets, and any ticket produced by such means shall be disqualified and ineligible for prize award.

Ticket Sales

The sale of official on-line Lotto game tickets may be conducted only by such retailers as the Corporation shall license pursuant to Corporation regulations, rules, policies and directives for on-line retailer licensing.

Ticket Price

Official on-line Lotto game tickets may be purchased at the base price of \$1.00 for one panel, one draw, and may also be purchased in multiples thereof depending upon the number of panels and draws selected by the player.

The President may authorize the sale of any official on-line Lotto game ticket at a discount for promotional purposes. The President may also authorize the production and distribution of tickets at no cost to the recipients, for promotional purposes.

Play Characteristics and Restrictions

Any playslip presented at a retail location for purposes of introduction into an on-line gaming terminal may be confiscated by any Louisiana Lottery Corporation employee, agent of the Corporation, or any retailer, or employee or agent of any retailer, for purposes of security analysis. A retailer shall confiscate a playslip when directed to do so by an employee or agent of the Corporation. Any playslip so confiscated, which is subsequently determined by the Lottery Security Officer to be an official authorized playslip, shall be returned to the player from whom the playslip has been confiscated, upon request. Return shall be by depositing the same in the U.S. mail, postage prepaid, addressed to an address within the state of Louisiana. Confiscated playslips which fail the Corporation's security analysis shall not be returned.

Retailers must give prompt service to lottery customers present and waiting at the terminal to purchase tickets for on-line games.

Retailers may not accept any compensation for the sale of lottery tickets other than compensation approved by the Louisiana Lottery Corporation.

On-line Lotto game tickets may only be sold to persons who are the minimum age established by law or older, who are not otherwise specifically disqualified as players or prize recipients by statute or Corporation regulation, policy, rule or directive.

An official on-line Lotto game ticket shall be the only valid proof of the wager placed, and the only valid receipt for claiming or redeeming any prize.

Official on-line Lotto game tickets may not be canceled.

A purchaser may submit a completed Lotto bet slip to an on-line retailer when requesting an official on-line Lotto game ticket. Lotto bet slips shall be available at no cost to the player, and shall have no pecuniary or prize value, nor shall such bet slips constitute evidence of purchase of tickets or of particular number selections, provided, however that the Louisiana Lottery Corporation may utilize evidence of purchase of tickets by means of counterfeit playslips for purposes of disqualifying tickets generated therefrom.

A player may orally convey his or her number selections to an on-line retailer when requesting an official on-line Lotto game ticket, and such selections may be manually entered into the computer terminal by the retailer, or the player may request a computer generated random number selection.

It shall be the sole responsibility of the ticket purchaser to verify the accuracy and condition of the data printed on the official on-line Lotto game ticket at the time of purchase.

From time to time, the Corporation may offer a multi-draw option whereby the player may purchase tickets for future consecutive drawings commencing with the next scheduled drawing. Such option will be made available at the discretion of the President.

Time, Place and Manner of Conducting Drawings

On-line Lotto game drawings shall be conducted at such times and locations as may be determined by the President, and shall be publicly announced by the Corporation.

The objective of on-line Lotto game drawings shall be to select, at random, with the aid of computerized drawing equipment, Lotto winning numbers, pursuant to the controls and methods specified by the Corporation.

Prize Payouts and Odds

The prize payment structure and probabilities of winning (probabilities being expressed as "odds" of winning, as that term is applied in common usage in the lottery industry) are as follows:

GROSS PRIZE POOL DISTRIBUTION
(Prize Pool Consists of 50% of Gross Lotto Game Sales)

MATCH IN SAME GAME PANEL	ODDS PER GAME PANEL	PRIZE ALLOCATION CATEGORY	% OF WINNINGS POOL BY CATEGORY
Six (6)	1:3,838,380	Grand Prize	38.11%*
Five (5)	1:18,816	Second Prize	21.26%
Four (4)	1:456	Third Prize	21.92%
Three (3)	1:32	Fourth Prize	18.71%
* The percentage allocated to the Grand Prize Pool may be reduced to fund the Prize Reserve Pool at the discretion of the President.			
Total Prize Pool Distribution			100%

Prize money allocated to the Grand Prize Category shall be equally divided by the number of on-line Lotto game panels reflected on the Corporation's computer records matching all six (6) of the six (6) Lotto winning numbers. Any short-fall to the funding level required to pay the announced Grand Prize amount shall be covered by transfer of the amount of such short-fall from the Prize Reserve Pool to the Grand Prize Category Pool.

Prize money allocated to the Second Prize Category shall be equally divided by the number of on-line Lotto game panels reflected on the Corporation's computer records matching five (5) of the six (6) Lotto game winning numbers. Prizes in this category are rounded to the nearest dollar (\$1.00). Excess prize money from rounding down shall be allocated to the Prize Reserve Pool. Any short-fall from rounding up shall be covered by transfer from the Prize Reserve Pool.

Prize money allocated to the Third Prize Category shall be equally divided by the number of on-line Lotto game panels reflected on the Corporation's computer records matching four (4) of the six (6) Lotto game winning numbers. Prizes in this category are rounded to the nearest dollar (\$1.00). Excess prize money from rounding down shall be allocated to the Prize Reserve Pool. Any short-fall from rounding up shall be covered by transfer from the Prize Reserve Pool.

Prize money allocated to the Fourth Prize Category shall be divided so as to provide a prize of \$3.00 for each Lotto game panel matching three (3) of the six (6) Lotto game winning numbers. After allowance for funding of all \$3.00 Fourth Prize Category winning panels for a Lotto drawing, any excess prize money remaining in the pool shall be allocated to the Prize Reserve Pool. Any short-fall to the funding level required to pay all potential Fourth Prize Category claims shall be

covered by transfer of the amount of such short-fall from the Prize Reserve pool to the Fourth Prize Category pool.

If there is not a prize winner in the Grand Prize Category, Second Prize Category, or Third Prize Category in a drawing, the funds in that prize category will be carried over and added to that prize category in the next Lotto drawing.

On-line Lotto game grand prizes, second prizes, third prizes, and fourth prizes shall be paid in a single lump-sum payment.

Any prize pool or portion thereof attributable to a winning game panel, as reflected by the Corporation's gaming records, which remains unclaimed at the conclusion of the 180 day statutory claim period, shall be deemed to have lapsed as an unclaimed prize. The Corporation's records shall be deemed conclusive as to the creation and existence of a Lotto game panel which has not been presented for payment within the claim period.

No interest shall be paid with respect to any on-line Lotto prize claim.

The holder of a winning on-line Lotto ticket may win in only one prize category per single Lotto game panel, and shall be entitled only to the highest prize attributable to the winning numbers contained in a panel. For example, a panel containing six (6) of six (6) winning numbers drawn will not entitle the holder thereof to a Second, Third, or Fourth Prize in addition to a Grand Prize.

The number of prize categories and the allocation of the Lotto Winnings Pool among the prize categories may be changed at the discretion of the President of the Corporation.

Ticket Responsibility

An official Lotto game winning ticket is deemed to be owned by the person, partnership or association named on the ticket or, in the case of a ticket not completed with name and address, by the ticket bearer.

The Corporation shall not be responsible for lost or stolen official on-line Lotto game tickets.

The purchaser of an official on-line Lotto game ticket has the sole responsibility for verifying the accuracy and condition of the data printed on the ticket at the time of purchase.

The Corporation shall not be responsible to the player for on-line retailer errors in redemption or on-line retailer representations as to the validity or status of a ticket.

Ticket Validation Requirements

In order to be deemed a valid official on-line Lotto game winning ticket, all of the following conditions must be met:

- (a) Sufficient validation data must be present, and the play number selection printed on the ticket and the corresponding draw date information printed on the ticket, must correspond with the data reflected in the Corporation's computer records relating to production of the ticket. The ticket must have been produced prior to the drawing;
- (b) the ticket must be intact;
- (c) the ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
- (d) the ticket must neither be counterfeit nor an exact duplicate of another winning ticket;
- (e) the ticket must have been issued by an on-line retailer in an authorized manner on official paper stock;
- (f) the ticket must not have been stolen or canceled;
- (g) the ticket must be submitted for payment in accordance with the provisions of "Procedures For Claiming and Payment of Prizes", hereinafter set forth;
- (h) the ticket data must have been recorded on the central computer system prior to the drawing, and the ticket data must match the computer record data in every respect;
- (i) the player or computer number selections, validation data and draw date information of an apparent winning ticket must appear on the Corporation's computer records and a ticket with that exact data must not have been previously paid;
- (j) the ticket must not be misregistered, defectively printed, or printed or produced in error to an extent that it cannot be validated by the Corporation;
- (k) the ticket must pass all other confidential security checks of the Corporation;
- (l) in submitting an official on-line Lotto game ticket for validation, the player agrees to abide by applicable laws, all Corporation rules, regulations, policies, directives, instructions, conditions and final decisions of the President of the Corporation.

An on-line Lotto game ticket submitted for validation which fails any of the preceding validation conditions shall be considered void. In the event a defective ticket, or a ticket of disputed validity is presented for payment, the President may, at his or her sole discretion, elect to replace such a ticket with a ticket of equivalent sales price from any current lottery game, and such

replacement shall be the sole and exclusive remedy of the player with respect to any claim arising with respect to such a ticket.

Procedure For Claiming and Payment of Prizes

Holders of winning four (4) of six (6) Third Prize Category tickets or winning three (3) of six (6) Fourth Prize Category tickets may claim their prizes at the Corporation's Regional Offices, Headquarters, or any on-line retailer location provided the prize does not exceed \$600. Holders of winning five (5) of six (6) Second Prize Category tickets may claim their prizes at the Corporation's Regional Offices, Headquarters, or in the event the prize is less than \$600 at any on-line retailer location. Holders of Grand Prize winning tickets should claim their prizes at the Corporation's Headquarters or elsewhere, by arrangement with the Corporation.

An on-line Lotto game prize must be claimed within one hundred eighty (180) days after the drawing in which the prize was won. In the event that a single official on-line Lotto game ticket contains two or more winning game panels, if the cumulative prize amount does not exceed \$600.00, the ticket may be claimed through an on-line retailer. If the cumulative prize amount exceeds \$600.00, the ticket must be presented to the Corporation for payment.

The payment of prizes to persons under the minimum age established by law to be eligible to purchase tickets, and payments made with respect to persons who may die before receiving any or all of a particular prize shall be paid in accordance with the provisions of R.S. 47:9025. The Corporation shall be discharged of any and all liability after payment of prizes as provided by said statutory provision.

Louisiana and federal income taxes shall be withheld by the Corporation for prize payments in such amounts as may be required in accordance with applicable provisions of federal and state law.

On-line Lotto game prizes shall not be paid to any of the following persons:

- (a) To any assignee of the right to receive a prize, or any portion thereof;
- (b) any member of the Board of Directors, officer, or employee of the Corporation or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principle place of abode of any such person;
- (c) any member of the Board of Directors, officer, or employee assigned to perform services for the Corporation (including corporate software services) of an on-line computer systems vendor under contract with the Corporation, or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principle place of abode of any such person;

- (d) any member of the Board of Directors, officer, or employee assigned to perform services for the Corporation (including corporate software services) of a vendor under sub-contract with the on-line computer systems vendor under contract with the Corporation, or to any spouse, child, brother, sister, or parent residing as a member of the same household in the principle place of abode of any such person;
- (e) those employees of audit firms or entities actually performing on-site contractual audit services with respect to the Corporation's operations;
- (f) employees of any vendor of goods or services to the Corporation barred from game play or prize payment by contractual provision, or as a result of a written determination by the President of the Corporation that game play participation by such vendor, or certain of its employees, may jeopardize the security and integrity of lottery gaming;
- (g) any person presenting a ticket for payment, which ticket has been produced by means of a counterfeit playslip or other device which fails to meet the Lottery's confidential security requirements;
- (h) any employees of any advertising agency, public relations agency, or gaming consultant currently under contract with the Corporation and engaged in activities in direct support of the Corporation's advertising and promotional functions, as account managers or representatives.

Unclaimed Prize Money

Prize monies allocated for the payment of on-line Lotto game winning tickets shall be retained by the Corporation for payment to the ticket holder or holders entitled thereto. Any prize monies remaining unclaimed at the conclusion of the statutory claim period shall be added to the unclaimed prize funds for future prize award, as provided by law.

Governing Law

In purchasing a ticket, the purchaser agrees to comply with, and abide by, Louisiana State Law and all rules, regulations, policies, directives and final decisions of the lottery, and all procedures established by the President for the conduct of the game.

Effective Date

This On-Line Lotto Game Play Directive shall become effective at 5:00 a.m., Friday, September 1, 2000.

Every effort has been made to ensure the accuracy of the information provided in this directive. However, in the event of an error, the directive in the official files of the Louisiana Lottery shall be controlling.