

Chapter 30: HOT LOTTO RULES

PART I – ADMINISTRATION

Section 1.0

These rules establish the procedures and requirements for operating and playing Hot Lotto, a lotto game run by the Multi-State Lottery Association (hereinafter referred to as “MUSL”), of which the Bureau of Alcoholic Beverages and Lottery Operations (hereinafter referred to as “BABLO”) is a member. Generally, the Hot Lotto game shall be operated in accordance with any agreement between the State of Maine and MUSL, the Constitution, the By-Laws of the Multi-State Lottery Association, the Multi-State Lottery Association Rules and applicable Maine law.

PART II - HOT LOTTO GAME RULES

Section 2.0 —DEFINITIONS

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.

2.1 “Advertised Grand Prize”. The Advertised Grand Prize amount shall be the amount determined and publicly announced by the Product Group to be the Grand Prize for the drawing. The “Advertised Grand Prize” amount is not the Gross Grand Prize Value. The Advertised Grand Prize amount shall be the minimum cash amount that would be paid as a “Withholding Taxes Paid” prize to the Grand Prizewinner(s), on a pari-mutuel basis, after calculating the potential federal and jurisdictional withholding taxes, if any, applicable to resident United States citizens with a valid Social Security Number, to the Gross Grand Prize Value. If a Member Lottery advertises an “Estimated Grand Prize,” that shall have the same meaning as an “Advertised Grand Prize”.

2.2 “Agent” or “Retailer Agent” means a person or entity licensed by the Lottery to sell lottery tickets.

2.3 BABLO” means Bureau of Alcoholic Beverages and Lottery Operations.

- 2.4 “Commission” means the State Liquor and Lottery Commission as defined in 5 M.R.S.A. Section 283-A.
- ~~2.3~~ “Drawing” means ~~the formal process of selecting winning numbers which that determine the number of winners for each prize level of the game.~~
- 2.45 “Computer Pick” or “Easy Pick” means the random selection of two-digit numbers by the computer system ~~which~~ that appear on a ticket and are played by a player in the game.
- 2.6 “Drawing” means the formal process of selecting winning numbers that determine the number of winners for each prize level of the game.
- 2.7 “Executive Director” means the Executive Director of BABLO appointed by the Commissioner of the Department of Administrative and Financial Services.
- 2.58 “Game Board” or “Boards” means that area of the play slip ~~which that~~ contains two (2) sets of numbered squares to be marked by the player, the first set containing ~~thirty-nine (39)~~ forty-seven (47) squares, numbers one (1) through ~~thirty-nine (39)~~ forty-seven (47) and the second set containing nineteen (19) squares, numbers one (1) through nineteen (19). Game board has the same meaning as “panel” as used in other Lottery materials.
- 2.69 “Game Ticket” or “Ticket” means an acceptable evidence of play, ~~which that~~ is a ticket produced by a lottery terminal which meets the specifications defined in the rules of each Party Lottery and Section 7.0 (Ticket Validation) or is a properly and validly registered subscription play.
- 2.10 “Gross Grand Prize Value” shall mean the prize value prior to deductions for any applicable withholding taxes due the federal or jurisdictional governments.
- 2.11 “Guaranteed Grand Prize” , or “Grand Prize” as used in these Rules refers to the guarantee by the Product Group as to the “Gross Grand Prize Value” amount; the “Advertised Grand Prize” amount is not a guaranteed prize amount.
- 2.12 “Lottery”, or “The Lottery” means BABLO.
- 2.713 “MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.
- 2.814 “MUSL Board” means the governing body of the MUSL ~~which that~~ is comprised of the chief executive officer of each Party Lottery.

- 2.915** “On-Line Lottery Game”, “Draw Lottery Game” or “Draw Game” means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.
- 2.1016** “Party Lottery” or “Member Lottery” means a state lottery or lottery of a political subdivision or entity ~~which~~ that has joined the MUSL and, in the context of these Product Group Rules, ~~which~~ that has joined in selling the Hot Lotto game.
- 2.1117** “Play” or “Bet” means the six (6) numbers, the first five (5) from a field of ~~thirty-nine (39)~~ forty-seven (47) numbers and the last one (1) from a field of nineteen (19) numbers, that appear on a ticket as a single lettered selection and are to be played by a player in the game.
- 2.1218** “Product Group” means a group of lotteries which has joined together to offer a common product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group’s own rules.
- 2.1319** “Play Slip” or “Bet Slip” means a card used in marking a player's game plays and containing one or more boards.
- 2.1420** “Set 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.
- 2.1521** “Terminal” means a device authorized by the 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 making purchases, validating tickets, and transmitting reports.
- 2.1622** “Winning Numbers” means the six (6) numbers, the first five (5) from a field of ~~thirty-nine (39)~~ forty-seven (47) numbers and the last one (1) from a field of nineteen (19) numbers, randomly selected at each drawing, ~~which~~ that shall be used to determine winning plays contained on a game ticket.
- ~~**2.17** “BABLO” means Bureau of Alcoholic Beverages and Lottery Operations.~~
- ~~**2.18** “Lottery”, or “the Lottery” means BABLO.~~
- ~~**2.19** “Executive Director” means the Executive Director of BABLO appointed by the Commissioner of the Department of Administrative and Financial Services.~~

~~2.20~~ “Commission” means the State Liquor and Lottery Commission as defined in 8 M.R.S.A. Section 371(2).

~~2.23~~ “Withholding Taxes Paid Prizes” shall mean prizes where the Party Lottery pays the prize winner a net prize amount, that consists of the Party Lottery withholding and depositing on behalf of the prize winner the required federal and jurisdictional withholding taxes (if any) on the “Gross Prize Value” and the residual amount paid to the prize winner.

Section 3.0 — GAME DESCRIPTION

3.1 Hot Lotto is a five (5) out of ~~thirty-nine (39)~~ forty-seven (47) plus one (1) out of nineteen (19) ~~on-linedraw~~ lottery game, ~~which that~~ 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 payments~~ as a cash lump sum payment of the total cash held for this prize pool on a pari-mutuel basis. ~~Except as provided in these rules, all other~~ All prizes are paid on a ~~set~~ cash basis. To play Hot Lotto, a player shall select five (5) different numbers, between one (1) and ~~thirty-nine (39)~~ forty-seven (47) and one (1) additional number between one (1) and nineteen (19), for input into a terminal. The additional number may be the same as one of the first five numbers selected by the player. Tickets can be purchased for one dollar (U.S. \$1.00), including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket from a terminal operated by an retail agent (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player activated terminal). If purchased from an retail agent, the player may select a set of five (5) numbers and one (1) additional number by communicating the six (6) numbers to the retail agent, or by marking six (6) numbered squares in any one game board on a play slip and submitting the play slip to the retail agent or by requesting “easy pick” from the retail agent. The retail agent will then issue a ticket, via the terminal, containing the selected set or sets of numbers, each of ~~which that~~ constitutes a game play. Tickets can be purchased from a player activated terminal by use of a touch screen or by inserting a play slip into the machine.

3.2 **Claims.** A ticket (subject to the validation requirements set forth in Section 7.0 (Ticket Validation)) 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 retail 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.

3.3 **Cancellations Prohibited.** A ticket may not be voided or canceled by returning the ticket to the selling retail agent or to the lottery, including tickets that are printed in error. No ticket ~~which that~~ can be used to claim

a prize shall be returned to the lottery for credit. Tickets accepted by retailers as returned tickets and ~~which that~~ cannot be re-sold shall be deemed owned by the bearer thereof.

- 3.4 Player Responsibility.** 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~~party lottery's draw game system by a retail agent who is acting on behalf of the player in entering the play or plays.
- 3.5 Entry of Plays.** Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip provided by the Lottery and hand-marked by the player or by such other means approved by the Party Lottery. 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 Lottery. Retailers shall not permit any device to be connected to a lottery terminal to enter plays, except as approved by the Party Lottery.
- 3.6 Future Plays.** No Party Lottery shall offer advance plays or multi-draw plays ~~which that~~ extend more than 180 days beyond the sale date unless the Party Lottery has a process in place to allow players to make changes to their plays in the event of a game change. Proceeds from advance sales may be held by the Party Lottery until the draw date which the ticket applies.
- 3.7 Drawings.** Drawings shall be held at the times and places established by the Product Group and the results shall be subsequently announced to the public. **(a)** The Member Lottery Director shall determine the time for the end of sales prior to the drawings, which shall not be later than the time established by the Product Group. ~~On-line-Draw game~~ terminals shall not process ~~on-linedraw game~~ tickets for that drawing after the time established by the Member Lottery Director. **(b)** The Product Group shall designate the type of drawing equipment to be used and shall establish drawing procedures to randomly select the winning combination and to ensure the integrity of the drawing process.

3.8 Withholding Taxes Paid Prizes. A Grand Prize winner shall receive a “Withholding Taxes Paid Prize”. “Withholding Taxes Paid Prizes” mean prizes where the Party Lottery pays the prize winner a net prize amount, that consists of the Party Lottery reducing the “Gross Grand Prize Value” by the required federal and jurisdictional withholding taxes (if any), and withholding and depositing on behalf of the prize winner the required federal and jurisdictional withholding taxes (if any) on the “Gross Grand Prize Value” and the Party Lottery paying the prizewinner the residual amount (subject to any setoff requirements). Grand Prize winners will receive a Withholding Taxes Paid Prize determined after deducting all applicable withholding taxes regardless of the “Advertised Grand Prize Amount”, and which may be higher or lower than the “Advertised Grand Prize” amount. Federal and jurisdictional withholding tax rates are subject to change and will be determined at the time the prize is awarded. The “Withholding Taxes Paid” prize amount reported to the federal and jurisdictional revenue authorities by the Party Lottery as subject to income taxation shall reflect the amount paid to the prize winner and also the amount remitted as withholding taxes to the federal and jurisdictional authorities (if any) on behalf of the prize winner. The Party Lottery and MUSL are not responsible for additional income or other taxes applicable in excess of the amount withheld and remitted by the Party Lottery that may be due when the prizewinner files all tax returns for the year the prize is claimed; Prizewinners should verify personal tax liability with a financial adviser. For example, if a single Grand Prize winner wins the “Advertised Grand Prize” of \$2,000,000.00 that has a gross prize value of \$3,050,000.00, and the federal withholding tax rate is 25% and the jurisdictional withholding tax rate is 6%, the Party Lottery will withhold and remit \$762,500.00 in federal tax withholding, \$183,000.00 in jurisdictional tax withholding and pay the prize winner \$2,104,500.00 in a single cash prize payment (subject to any setoff requirements); at the end of the tax year the Party Lottery will communicate to the prizewinner a W-2G Form showing prize won of \$3,050,000.00.

Section 4.0 —PRIZE POOL

4.1 Prize Pool. The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's sales, including tax, after the prize reserve accounts are funded to the amounts set by the Product Group. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

- 4.2 Prize Reserve Accounts.** An amount equal up to one percent (1%) of a Party Lottery's sales, including tax, shall be deducted from a Party Lottery's Grand Prize Pool and placed in trust in one or more prize reserve accounts when the ~~annuitized~~ Grand Prize exceeds \$2,000,000.00. An additional two (2%) percent of a Party Lottery's sales, including tax, shall be deducted from a Party Lottery's Grand Prize Pool and placed in trust in one (1) or more prize reserve accounts when the ~~annuitized~~ Grand Prize exceeds \$5,000,000.00 until the Party Lottery's share of the prize reserve account(s) reach(es) the amounts designated by the Product Group. The Product Group has established the following prize reserve accounts for the Hot Lotto game: the Prize Reserve Account (PRA), 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 to fund deficiencies in low-tier prize payments (subject to the limitations of these rules); the Set-Aside Account, which is used to guarantee payment of the minimum or starting Grand Prize; the Hot Lotto Sizzler Rollover Account, which is described in Section 15.2 of these rules; and the Lower Tier Prize Pool, which holds the temporary balances that may result from having fewer than expected winners in the low-tier set prize categories. The source of the Lower Tier Prize Pool funds is the Party Lottery's weekly prize contributions less actual set prize liability. Once the Party Lottery's share of the prize reserve accounts exceeds the designated amounts, the excess shall become part of the Grand Prize ~~p~~Pool. The Product Group, with approval of the Finance & Audit Committee of the MUSL Board, may establish a maximum balance for the prize reserve account(s). The Product Group may determine to expend all or a portion of the funds in the reserve accounts for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the participating lotteries, subject to the approval of the Board. The shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the ~~p~~Prize ~~r~~Reserve ~~a~~Account(s) as may be needed to maintain the approved maximum balance and shares of the Party Lotteries. Any amount remaining in a prize reserve account at the end of this game shall be carried forward to a replacement ~~p~~Prize ~~r~~Reserve ~~a~~Account or expended in a manner as directed by the Product Group in accordance with state law.
- 4.3 Expected Prize Payout Percentages.** ~~The~~ Grand Prize payment amounts 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:

Number of Matches	Prize Pool Percentage	
	Per Play Prize	Payment Allocated to Prize
All five (5) of first set plus one (1) of second set	<u>Gross Grand Prize Value*</u>	52.57631188%
All five (5) of first set and none of second set	\$10,000 30,000.00	3.29097056%
Any four (4) of first set plus one (1) of second set	\$500 3,000.00	1.55404.3232%
Any four (4) of first set and none of second set	\$50 100.00	2.79725940%
Any three (3) of first set plus one (1) of second set	\$50.00	5.12832.9542%
Any three (3) of first set and none of second set	\$46.00	7.38476.3811%
Any two (2) of first set plus one (1) of second set	\$46.00	4.37614.7268%
Any one (1) of first set plus one (1) of second set	\$3.00	12.718111.5214%
None of first set plus one (1) of second set	\$2.00	10.174511.6750%

* The above reflects the Gross Grand Prize Value; the “Advertised Grand Prize” is described elsewhere in these Rules. The Gross Grand Prize Value amount will be reduced by federal and jurisdictional withholding taxes (if any) that will be remitted by the Party Lottery on behalf of the prizewinner with the prizewinner receiving the residual amount as their Grand Prize payment (subject to offsets). The prize amount reported to the federal and jurisdictional revenue authorities by the Party Lottery as subject to income taxation shall reflect the amount paid to the prize winner (including any offsets) and also the amount remitted as withholding taxes to the federal and jurisdictional authorities (if any) on behalf of the prize winner.

- (a) The prize money allocated to the Gross Grand Prize Value category shall be divided equally by the number of ~~p~~Plays ~~on tickets~~ winning the Grand Prize; see infra.
- (b) The prize pool percentage allocated to the set prizes (the cash prizes of ~~\$10,000~~ 30,000.00 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. If the total of the set prizes 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 awarded shall be drawn from the following sources, in the following order: (i) the amount allocated to the set prizes and carried forward from previous draws, if any; (ii) an amount from the ~~set prize reserve account~~ PRA, if available, and (iii) an amount from the set-aside account, if available, not to exceed the balance of that account. If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded, 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.

Section 5.0 -- PROBABILITY OF WINNING

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 Hot Lotto.

Number of Matches Per Ticket	Probability Distribution	Probable/Set Prize Amount
All five (5) of first set plus one (1) of second set	1: 10,939,383.00000 <u>29,144,841</u>	
	\$5,176,367* <u>\$7,594,954.50* **</u>	
All five (5) of first set and none of second set	1: 607,743.50000 <u>1,619,157.833333</u>	
	\$10,000 <u>\$30,000.00</u>	
Any four (4) of first set plus one (1) of second set	1: 64,349.311765 <u>138,784.957143</u>	
	\$500 <u>\$3,000.00</u>	
Any four (4) of first set and none of second set	1: 3,574.961765 <u>7,710.275397</u>	\$ <u>50</u> <u>100.00</u>
Any three (3) of first set plus one (1) of second set	1: 1,949.979144 <u>3,384.998955</u>	\$ <u>50</u> <u>.00</u>
Any three (3) of first set and none of second set	1: 108.332175 <u>188.055497</u>	\$ <u>46</u> <u>.00</u>
Any two (2) of first set plus one (1) of second set	1: 182.810545 <u>253.874922</u>	\$ <u>46</u> <u>.00</u>
Any one (1) of first set plus one (1) of second set	1: 47.176915 <u>52.076907</u>	\$ <u>3</u> <u>.00</u>
None of first set plus one (1) of second set	1: 39.314096 <u>34.261123</u>	\$ <u>2</u> <u>.00</u>
Overall	1: 16.091706 <u>17.217787</u>	
* The Grand Prize amount is estimated using a 25-year deferred-payment factor of 1.8 (this factor is a variable dependent upon market conditions as determined by MUSL). The <u>Grand Prize</u> amount does not include the Prize Reserve Account deduction or any other deductions, if any.		
** <u>The Gross Grand Prize Value amount reflects the “Gross Prize Value”; the “Advertised Grand Prize” and “Withholding Taxes Paid Prize” amounts are discussed elsewhere in these Rules, see infra.</u>		

Section 6.0 -- PRIZE PAYMENT

6.1 Grand Prizes. ~~Grand prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize, with either a per winning ticket annuity or cash payment. If the payment election is not made at the time of purchase and is not made by the player within 60 days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. 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 60 days after the player becomes entitled to the prize. The election to take the cash payment may be made at the time of the prize claim or within 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. Shares of the Grand Prize shall be determined by dividing the cash available in the Grand Prize pool equally among all winners 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 competitive bid of qualified, pre-approved brokers made after it is determined that the prize is to be paid as an annuity prize or after the expiration of 60 days after the winner becomes entitled to the prize. Neither MUSL nor the party 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 Section 6.5. If individual shares of the cash held to fund an annuity is less than \$250,000, the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize pool. All annuitized prizes shall be paid annually in twenty-five (25) payments with the initial payment being made in cash, to be followed by twenty-four (24) payments funded by the annuity. Annual payments after the initial payment shall be made by the 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 jackpot 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 Party Lottery no earlier than the fifteenth calendar day (or the next banking day if the fifteenth day is a holiday) following the drawing. 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. A state may elect to make the~~

~~initial payment from its own funds after validation, with notice to MUSL. Grand Prizewinner(s) shall be paid with a single cash payment. The Gross Grand Prize Value shall be a guaranteed amount and Grand Prize winner share(s) shall be determined pursuant to Section 6.5 of these rules. For past Hot Lotto Grand Prize winners who had elected an annuity payout of their Grand Prize.~~ In the event of the death of a lottery winner during the annuity payment period, the Product Group, in its sole discretion, upon the petition of the estate of the lottery winner (the "Estate") to the state lottery of the state in which the deceased lottery winner purchased the winning ticket, and subject to federal, state, or district applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If the Product Group makes such a determination, 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 Product Group.

- 6.2 Low-Tier Cash Prize Payments.** All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash or warrants through the Party Lottery ~~which that~~ sold the winning ticket(s). A Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.
- 6.3 Prizes Rounded.** ~~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 that~~, 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.
- 6.4 Rollover.** 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 ~~p~~Pool for the following drawing.

- 6.5 Funding of Guaranteed Prizes.** Prior to a drawing the Product Group shall determine and publicly announce the “Advertised Grand Prize” amount for that drawing. The Gross Grand Prize Value amount, that is used to determine the Advertised Grand Prize amount, shall be a guaranteed amount, and the The Product Group may offer guaranteed minimum Gross Grand Prize Value amounts or minimum increases in the Gross Grand Prize Value 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. If a minimum Guaranteed Gross Grand Prize Value amounts shall be funded as determined or a minimum increase in the Grand Prize amount between drawings is offered by the Product Group, then the Grand Prize winner shares shall be determined as follows: 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 Gross Grand Prize Value guaranteed annuitized Grand Prize by the number of winners. If there are multiple Grand Prize winners during a single drawing and at least one 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. 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 average annuity factor of the most recent three best quotes provided by MUSL’s pre-approved qualified brokers submitting quotes. In no case, shall quotes be used which are more than two weeks old and if less than three quotes are submitted, then MUSL shall use the average of all quotes submitted. 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. Each Grand Prizewinner’s share shall be paid as a “Withholding Taxes pPaid” prize with applicable federal and jurisdictional withholding amounts reducing the amount of cash paid to the prize winner(s); see Section 3.8 and infra. Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Section 4.3(b) becomes necessary.
- 6.6 Limited to Highest Prize Won.** The holder of a winning ticket may win only one (1) prize per play-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.
- 6.7 Prize Claim Period.** Prize claims shall be submitted within the period set by the Party Lottery selling the ticket, which in Maine is one (1) year from the prize eligibility date. The prize eligibility date is the date of the winning draw.

Section 7.0 —TICKET VALIDATION

7.1 General Requirements for Validation. To be a valid ticket and eligible to receive a prize, a ticket shall satisfy all the requirements established by a Party Lottery for validation of winning tickets sold through its [on-line draw game](#) system and any other validation requirements adopted by the Product Group and 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.

7.2 Specific Requirements for Validation of Tickets Sold in Maine

- (a) To be a valid ticket and eligible to receive a prize, all the following requirements must be satisfied:
- (1) The ticket must have been issued by the Lottery through a licensed [retail](#) agent, via a terminal, in an authorized manner. The ticket must be intact and must not be mutilated, altered, reconstructed, or tampered with in any manner.
 - (2) The ticket date must have been recorded in the Lottery's central computer system at least sixty (60) minutes prior to the drawing; even if it appears that a bet is accepted (by virtue of a printed ticket), any bet placed other than at least sixty (60) minutes prior to the drawing (regardless of when the drawing is held) is void.
 - (3) The information appearing on the ticket must correspond precisely with the [Party](#) Lottery's computer record.
 - (4) The validation number must appear in its entirety, and correspond, using a computer validation file, to the winning game play or plays printed on the ticket. The ticket stock sequential number on the back of the ticket must correspond to the Lottery's inventory records.
 - (5) The ticket must not be defectively printed, fuzzy, produced in error, counterfeit in whole or in part, altered, unreadable, reconstructed, tampered with in any manner, stolen, blank or partially blank, misregistered, or defective.
 - (6) All information appearing on an apparent winning ticket must correspond to the Lottery's records of winning tickets,

and another ticket with identical data shall not have been paid.

- (7) The ticket must be intact, fully legible, complete and not miscut, correspond to the data on file at the Lottery in every respect.
- (8) The ticket must pass all other security criteria determined by BABLO and MUSL.
- (9) The ticket must be validated in accordance with the provisions of these rules relating to the procedures for claiming prizes and for the payment thereof.
- (10) An apparent winning ticket shall be void unless the ticket paper stock roll which was in use at the time of the bet by, and validly issued to, the [retail](#) agent from whom the ticket was purchased.

- (b) In the event that a ticket fails to pass all the criteria set forth in subpart (a) of this rule, the ticket shall be deemed void and ineligible for any prize and shall not be paid. In the event of a dispute or other instance of doubt, the decision of the ~~e~~[Executive](#) ~~d~~[Director](#) shall be final and binding. If the ~~e~~[Executive](#) ~~d~~[Director](#) ~~Director~~ determines that the ticket is not eligible to receive a prize, then the ~~executive~~ ~~Executive~~ ~~d~~[Director](#) may, at the ~~e~~[Executive](#) ~~d~~[Director](#)'s option, replace an invalid, defective or otherwise erroneous ticket with a ticket of equivalent sales price from any current lottery game. Replacement of the ticket shall be the bearer or claimant's sole and exclusive remedy.

Section 8.0 —TICKET RESPONSIBILITY

- 8.1 Signature.** Until such time as a signature or printed name is placed upon a ticket in the area designated for signature or name, a ticket shall be owned by the bearer of the ticket. When a signature or name is placed on the ticket in the place designated, the person whose signature or name appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in Section 7.0 (Ticket Validation) and state law) to any prize attributable thereto.
- 8.2 Multiple Signatures.** Valid winning tickets with multiple signatures or names shall be entitled to a cash or annuity payment per winning ticket.

8.3 Stolen Tickets. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen tickets.

Section 9.0 —INELIGIBLE PLAYERS

9.1 A ticket or share for a game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such ticket or share shall not be paid to:

- (a) a MUSL employee, officer, or ~~Director~~;
- (b) a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;
- (c) 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
- (d) an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

9.2 No tickets may be sold to, or purchased by, individuals who have not attained 18 years of age. However, tickets may be given as gifts to minors or any other individuals except as prohibited by Maine law.

9.3 As set forth in Title 8 M.R.S.A. Section 381, a ticket or share may not be purchased by and a prize may not be paid to any of the following persons:

- (a) Commission officers. An officer of the commission;
- (b) Senior supervisory personnel. Senior supervisory employees of the commission, as determined by the commission officers; and
- (c) Household member. Any spouse, child, brother, sister, parent or person residing as a member of the same household in the principal place of abode of any of the persons identified in subsections (a) and (b).

Section 10.0 — APPLICABLE LAW

In purchasing a ticket in Maine, the purchaser agrees to comply with and abide by all applicable Maine laws, rules, regulations, procedures, and decisions of the Lottery.

PART III – SPECIAL GAME RULES: HOT LOTTO SIZZLER

Section 11.0 — SIZZLER DESCRIPTION

The Hot Lotto Sizzler feature is a limited extension of the Hot Lotto game and is conducted in accordance with the Hot Lotto game rules and other lottery rules applicable to the Hot Lotto game except as may be amended herein. The Hot Lotto Sizzler feature will run concurrently with Hot Lotto and will continue until discontinued by the Product Group. The feature will offer to the owners of a qualifying play a chance to multiply the amount of any of the eight (8) lump sum Set Prizes (the lump sum prizes normally paying \$2.00 to \$~~10,000~~30,000.00) won in a drawing. The Grand Prize jackpot is not a Set Prize and will not be multiplied.

Section 12.0 — QUALIFYING PLAY

A qualifying play is any single Hot Lotto play for which the player pays an extra dollar for the Sizzler option play and ~~which that~~ is recorded at the Party Lottery's central computer as a qualifying play.

Section 13.0 — PRIZES TO BE MULTIPLIED

A qualifying play ~~which that~~ wins one (1) of the eight (8) ~~lowest~~ lump sum Set Prizes will be multiplied by three (3). The Hot Lotto Group may change this multiplier number for special promotions from time to time.

Section 14.0 — [Reserved]

Section 15.0 — SIZZLER PRIZE POOL

15.1 Sizzler Prize Pool. The ~~prize pool~~ Sizzler Prize Pool for all prize categories shall consist of ~~up to~~ approximately forty-seven and ~~forty-two~~ one hundred percent eight thousand eight hundred thirteen ten thousandths percent (47. ~~248813~~%) of each drawing period's sales, including any specific statutorily-mandated tax of a Selling Lottery to be

~~included in on a party lottery to be included in~~ the price of a lottery ticket, after the Hot Lotto prize reserve accounts are funded to the amounts set by the Product Group. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

15.2 Prize Reserve ~~Accounts~~Funding. ~~Two and One and one-half one thousand one hundred eighty-seven ten thousandths~~ percent (~~1.52.1187~~%) of sales, including any specific statutorily-mandated tax ~~of a Selling Lottery to be included in the price of a lottery ticket, on a party lottery to be included in the price of a lottery ticket,~~ may be collected and placed in trust in the Sizzler Prize Pool or in one or more prize reserve accounts until the prize reserve accounts reach the amounts designated by the Product Group.

15.3 Expected Prize Payout. Except as provided in these rules, all prizes awarded shall be paid as lump sum set prizes. Instead of the Hot Lotto set prize amounts, qualifying Sizzler plays will pay the amounts shown below.

	Hot Lotto Prize Amount	Pays Instead 3X
Match 5+0	\$10,000 <u>30,000.00</u>	\$30,000 <u>90,000.00</u>
Match 4+1	\$500 <u>3,000.00</u>	\$1,500 <u>9,000.00</u>
Match 4+0	\$50 <u>100.00</u>	\$150 <u>300.00</u>
Match 3+1	<u>\$50.00</u>	<u>\$150.00</u>
Match 3+0	\$46 <u>6.00</u>	\$1218 <u>18.00</u>
Match 2+1	\$46 <u>6.00</u>	\$1218 <u>18.00</u>
Match 1+1	<u>\$3.00</u>	<u>\$9.00</u>
Match 0+1	<u>\$2.00</u>	<u>\$6.00</u>

In certain rare instances, the Hot Lotto set prize amount may be less than the amount shown. In such case, the Sizzler prizes will be a multiple of the Hot Lotto prize amount. For example, if the Match 5 of the first set and none of the second set+0 Hot Lotto set prize amount of ~~\$10,000~~ 30,000.00 becomes ~~\$1,000~~ 27,000.00 under the rules of the Hot Lotto game, then a Sizzler player winning that prize amount would win ~~\$3,000~~ 81,000.00 (~~\$1,000 × 3~~); (27,000.00 × 3)

Section 16.0 — [Reserved].

Section 17.0 — LIMITATIONS ON PAYMENT OF SIZZLER PRIZES

17.1 Sizzler Prize Pool Carried Forward. The Sizzler ~~p~~Prize ~~p~~Pool percentage allocated to the Sizzler 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.

- 17.2 Pari-Mutuel Prizes—All Prize Amounts.** If the total of the original Hot Lotto set prizes and the multiplied Sizzler set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, [and Sizzler prizes](#), then the amount needed to fund the set prizes (including the multiplied set prizes) awarded, shall be drawn from the following sources, in the following order: (i) the amount allocated to the set prizes ([including the multiplied set prizes](#)) and carried forward from previous draws, if any; (ii) an amount from the Hot Lotto [Set-Prize Reserve Account](#), if available in the account, not to exceed one million dollars (\$1,000,000.00) per drawing. If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including multiplied prizes), then the highest set prize (including the multiplied prizes) shall become a pari-mutuel prize. If the amount of the highest set prize, [including the multiplied set prizes](#), 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 multiplied 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.

Section 18.0 – PRIZE PAYMENT

- 18.1 Prize Payments.** All Sizzler prizes shall be paid in one [\(1\)](#) lump sum through the Party Lottery that sold the winning ticket(s). A Party Lottery may begin paying Sizzler prizes after receiving authorization to pay from the MUSL central office.
- 18.2 Prizes Rounded.** Prizes ~~which~~[that](#), under these rules, may become 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 [Sizzler pPrize pPool](#) for the next drawing.

PART IV – [RETAIL AGENTS](#)

Section 19.0 – [Retail Agents](#)

- 19.1 [Retail Agents](#)** selling Hot Lotto and Sizzler tickets shall comply with all applicable Maine laws, rules, regulations, procedures, and decisions of the Lottery and with all applicable MUSL rules, regulations and requirements.

19.2 Each Retail aAgent shall receive commission of five percent (5%) of gross receipts for Hot Lotto and Sizzler tickets sold by that Retail aAgent.

19.3 Retail Agent bonus of one percent (1%) up to \$30,000.00 for any winning Jackpot ticket sold by that Retail aAgent.

19.4 Retail Agent bonus of one percent (1%) up to \$300.00 for any single Match 5 + 0 winning ticket sold by that Retail aAgent.

Section 20.0 – Effective Date

20.1 These rules shall become effective for drawings beginning ~~October 14, 2009~~May 12, 2013.

STATUTORY AUTHORITY: 8 M.R.S.A. §374

EFFECTIVE DATE:

November 11, 2009 – filing 2009-580

MOVED TO 18-553, BUREAU OF ALCOHOL AND LOTTERY OPERATIONS, AS
CHAPTER 30:

June 29, 2010