

Nebraska Lottery Regulations
Title 370

Effective Date: September 21, 2025

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REG-101 DEFINITIONS, GENERAL

101.01 The following definitions shall be used for these regulations, unless the context clearly requires otherwise, except that the definitions in Reg-102 shall be controlling for the Powerball game.

101.02 Act means the State Lottery Act.

101.03 Advertising means the budgeted process by which specific messages are placed with commercial media organizations. Such message placement includes, but is not necessarily limited to, billboards, radio, or television.

101.04 Applicant means the person applying for a contract from the Division. Applicant includes all partners, corporate officers, shareholders owning ten percent (10%) or more, and the governing officers of political subdivisions or other organizations making an application.

101.05 Bid or Proposal Security means security to ensure that the vendor will honor the terms of its bid or proposal or that the vendor will negotiate a contract in good faith.

101.06 Computer Quick Pick, Computer-pick, or Quick Pick means the random selection of numbers by the computer system which appear on a ticket and are played by a player in the game

101.07 Department means the Nebraska Department of Revenue.

101.08 Director means the Director of the Lottery Division of the Nebraska Department of Revenue.

101.09 Dispensing or vending device means any device that dispenses instant-win or on-line tickets directly to a participant and shall include all coin or currency operated devices.

101.10 Division means the Lottery Division of the Nebraska Department of Revenue.

101.11 Drawing in a lottery game means any formal process based on chance and authorized by the Director of selecting winners, prizes, winning numbers, characters, symbols and / or the number of winners for each prize level of the game. A drawing may consist of initial, preliminary, or sub-drawings leading to a final drawing.101.12 Felony or Misdemeanor Involving Dishonesty means a crime involving fraud, or deceit. It includes, but is not limited to, embezzlement, misappropriation or misapplication of funds, fraud, forgery, false swearing, perjury, theft by deception, theft of services, or obtaining money under false pretenses.

101.13 Finance & Audit Committee means the committee established by the Multi-State Lottery Association Agreement.

101.14 Game Play Areas or Play Areas means that area of the play slip which contains sets of numbered squares to be marked by the player.

101.15 In-kind Contributions by Media Outlets means value-added opportunities for exposure for the lottery and its beneficiaries such as broadcast airtime and event tickets provided by media outlets for use as contest prizes for players or retailer incentives which reward or reinforce participation by players or lottery game retailers in a lottery effort or program. Incentives may include lottery merchandise offered as promotional prizes to players and retailers.

101.16 Key Personnel or Key Employee includes any executive, employee or agent whose position affects or could affect the fairness, security, honesty or integrity of the operations of the Division.

101.17 Litigation Security means security to discourage unwarranted or frivolous litigation by any vendor.

101.18 Lottery Contractor means a lottery vendor with whom the Division has contracted for the purpose of providing goods or services for the Division.

101.19 Lottery Game means any variation of the following types of games;

101.19A An instant-win game in which disposable tickets contain certain preprinted winners which are determined by rubbing or scraping an area or areas on the tickets to match numbers, letters, symbols, or configurations, or any combination thereof, as provided by the rules of the game. An instant-win game may also provide for preliminary and grand prize drawings conducted pursuant to the rules of the game. An instant-win game shall not include the use of any pickle card as defined in Neb. Rev. Stat. § 9-315. Instant-win games are commonly referred to by the Division as “scratch ticket” games;

101.19B An on-line lottery game in which Lottery Game Retailer terminals are hooked up to a central computer via a telecommunications system through which:

101.19B(1) A player selects a specified group of numbers or symbols out of a predetermined range of numbers or symbols and purchases a ticket bearing the player selected numbers or symbols for eligibility in a drawing regularly scheduled in accordance with game rules; or

101.19B(2) A player purchases a ticket bearing randomly selected numbers for eligibility in a drawing regularly scheduled in accordance with game rules;

101.19B(3) On-line lottery games are commonly referred to by the Division as “lotto games”; and

101.19C Lottery Game shall not be construed to mean any video lottery game.

101.20 Lottery Game Retailer means a person or entity under contract with the Division to sell lottery game tickets to the public.

101.21 Lottery Vendor means any person who submits a bid, proposal, or offer as a part of a major procurement or invitation-to-bid.

101.22 Major Procurement means any procurement or contract for the purchase or lease of goods or services unique to or used primarily for the operation of the Division in excess of twenty-five thousand dollars (\$25,000) for the printing of tickets used in any lottery game, security services, consulting services, advertising services, any goods or services involving the receiving or recording of number selections in any lottery game, or any goods or services involving the determination of winners in any lottery game. Major procurement shall include production of instant-win tickets, procurement of on-line gaming systems and drawing equipment, or retaining the services of a consultant who will have access to any goods or services involving the receiving or recording of number selections or determination of winners in any lottery game.

101.23 Marketing means the process of integrating messages and efforts associated with lottery products and beneficiaries in various mediums, including but not limited to press releases, printed material, broadcast media, internet, and live events.

101.24 Moral Turpitude means any crime contrary to justice, honesty, or good morals. It shall include, but is not limited to, dishonesty, abuse of a person, or possessing illegal drugs with intent to deliver or sell.

101.25 MUSL means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

101.26 MUSL Board means the governing body of MUSL which is comprised of the chief executive officer of each Party Lottery.

101.27 MUSL Product Group, MUSL Powerball Product Group, or Product Group means a group of lotteries which has joined together to offer an on-line product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group’s own rules.

101.28 Natural Person means a living human being and shall not include legal or fictional entities or constructs such as, but not limited to, limited liability companies, limited liability partnerships, trusts, corporations, partnerships, associations or voluntary organizations. As used in these regulations, the words define the term of a prize and are not a limitation on the entities eligible to play lottery games.

101.29 Nebraska Pick 5 play or bet means the five (5) numbers that appear on a ticket as a single lettered selection and are to be played by a player in the game.

101.30 Nebraska Pick 5 set prize means a prize that is advertised to be paid by a single cash payment or as a free Nebraska Pick 5 ticket.

101.31 Nebraska Pick 5 ticket means a ticket produced by an on-line terminal which meets the specifications defined in these regulations.

101.32 On-line Terminal means a device that functions in an on-line, interactive mode with the Division's computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets, and transmitting reports.

101.33 Party Lottery or Member Lottery means a state lottery or lottery of a political subdivision or entity that has joined MUSL, and, in the context of these regulations, that is authorized to sell the Powerball game. Unless otherwise indicated, "Party Lottery" or "Member Lottery" does not include "Licensee Lotteries."

101.34 Performance Bond means a bond to guarantee the faithful performance of the Lottery Vendor or Lottery Contractor for the duration of the contract.

101.35 Person with a Substantial Interest means any sole proprietor, partner in a partnership, officer of a corporation, shareholder owning in the aggregate ten percent (10%) or more of the stock in a corporation, member of a limited liability company, or governing officer of an organization or other entity.

101.36 Play Slip or Bet Slip means a card used in marking a player's game plays and containing one or more game play areas.

101.37 Promotions means contests, events, or other mechanisms by which existing players are rewarded by offering something of additional value beyond a lottery game prize, or a second chance to win something of additional value in return for making a qualifying purchase.

101.38 Product Group Rules means the rules promulgated by a MUSL Product Group for a particular online cross-jurisdictional lottery game offered by the Product Group member lotteries, including any subsequent amendments thereto, which, among other topics, describe game play, prize pools, expected prize payout percentages, probabilities of winning, the method of prize payments, ticket validations, ticket responsibility, and ineligible players.

101.39 Public Relations means the process of identifying various and complementary audiences including the public, players, retailers, and beneficiaries, and providing them with information of interest and receiving valuable feedback in return. Public relations include sponsoring events with co-promoters.

101.40 Ticket or lottery ticket means any tangible evidence authorized by the Division to prove participation in a lottery game.

101.41 Winning Nebraska Pick 5 numbers means the five (5) numbers, randomly selected at each official drawing conducted by the Division which shall be used to determine winning plays contained on a game ticket.

101.42 Winning ticket means an instant-win or on-line ticket issued by the Division in an authorized manner, which meets all ticket requirements contained in these regulations, the respective game rules, and applicable Division

policies, including all requirements for ticket validation, and which is determined by the Division to officially constitute a valid receipt for claiming a lottery prize.

101.43 Powerball Game Rules or Rules of the Powerball Game means the set of rules adopted by the MUSL Powerball Product Group.

101.44 Licensee Lottery means a state lottery or lottery of a governmental unit, political subdivision, or entity thereof that is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by MUSL and by the Powerball Product Group to sell the Powerball game.

(Neb. Rev. Stat. §§ 9-801, 9-803, 9-819, and 9-823, R.R.S. 2012. October 7, 2015.)

REG-102 POWERBALL DEFINITIONS

102.01 Advertised Grand Prize means the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize drawing. The “Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize as described in these regulations.

102.02 Agent or Retailer means a person or entity authorized by the Division to sell lottery plays.

102.03 Computer Pick means the random selection of indicia by the computer that appear on a ticket or ticketless transaction and are played by a player in the game.

102.04 Drawing refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Powerball game and the Power Play multiplier. Winning indicia include the winning numbers for the Powerball game, and the Power Play multiplier.

102.05 Reserved.

102.06 Game Ticket or Ticket means an acceptable evidence of play, which is a ticket produced in a manner that meets the specifications contained in these regulations and is a physical representation of the play or plays sold to the player.

102.07 Grand Prize means the top prize in the Powerball game.

102.08 Licensee Lottery means a state lottery or lottery of a governmental unit, political subdivision, or entity thereof that is not a Party Lottery but has agreed to comply with all applicable MUSL and Product Group requirements and has been authorized by MUSL and by the Powerball Product Group to sell the Powerball game.

102.09 MUSL means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

102.10 MUSL Annuity Factor means the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance and Audit Committee and which is used as described in these regulations.

102.11 MUSL Board means the governing body of MUSL, which is comprised of the chief executive officer of each Party Lottery.

102.12 MUSL Finance and Audit Committee shall mean the committee of that name established by the MUSL Board

102.13 Party Lottery or Member Lottery means a state lottery or lottery of a political subdivision or entity that has joined MUSL, and, in the context of these regulations, that is authorized to sell the Powerball game. Unless otherwise indicated, “Party Lottery” or “Member Lottery” does not include “Licensee Lotteries.”

102.14 Play or Bet means the six (6) numbers, the first five (5) from a field of sixty-nine (69) numbers and the last one (1) from a field of twenty-six (26) numbers, that appear on a ticket and are to be played by a player in the Powerball game.

102.15 Play Slip or Bet Slip means a physical or electronic means by which a player communicates his or her intended play selection to the retailer as defined and approved by the Division.

102.16 Product Group or “the Group” means a group of lotteries that has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group’s own rules.

102.17 Selling Lottery or Participating Lottery means a lottery authorized by the Product Group to sell Powerball plays, including Party Lotteries and Licensee Lotteries.

102.18 Set Prize or Low Tier Prize means all other prizes, except the Grand Prize, and, except in instances outlined in these regulations, will be equal to the prize amount established by the Product Group for the prize level.

102.19 Terminal means a device authorized by a Selling Lottery to function in an on-line, interactive mode with the gaming computer system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports.

102.20 Winning Numbers means the indicia randomly selected during a Drawing event which shall be used to determine winning plays for the Powerball game contained on a game ticket or ticketless transaction.

(Sections 9-801, 9-803, 9-819, and 9-823, R.R.S. 2012. October 7, 2015.)

REG-201 SCOPE AND APPLICATION

201.01 These regulations govern the practice and procedure before the Nebraska Department of Revenue, or the Division of the Nebraska Department of Revenue arising from and as required by the State Lottery Act and constitute a separate practice and procedure system from that governing other revenue and gaming laws administered by the Nebraska Department of Revenue.

(Sections 9-819 and 9-823, R.R.S. 2012. May 28, 1993.)

REG-202 GENERAL PROVISIONS

202.01 Representation. Representation before the Tax Commissioner is governed by the applicable statutes and decisions of the Nebraska Supreme Court. These regulations shall not, however, prohibit anyone from representing themselves or transacting his or her own affairs.

202.01A Power of Attorney. Any person appearing on behalf of a Lottery Game Retailer, Lottery Vendor, or Lottery Contractor, or any other person, as his or her duly authorized representative with regard to matters pertaining to the Act must have on file with the Division, a Power of Attorney. Once a Power of Attorney has been given ~~for~~ a hearing, the Tax Commissioner will presume that it is valid until notice of its revocation is filed with the Division.

202.02 Notice. All notices required under these practice and procedure regulations, other than notices scheduling informal conferences, shall be mailed certified mail, return receipt requested, to the last known address of the party, his or her representative, or served personally.

202.03 Filing Date. A petition, other than a petition regarding a procurement action, is considered filed with the Tax Commissioner on the date that it is received by the Tax Commissioner, or if delivered by United States mail after the due date, the petition is considered filed with the State Tax Commissioner on the date of the postmark of the United States Post Office stamped on the envelope. Postmarks made by other than the United States Post Office will not be accepted as conclusive evidence of the filing date of any petition received after the due date.

202.03A When the last date for filing falls on a Saturday, Sunday, or an approved federal or state holiday, the filing will be considered timely if received on the next succeeding day, which is not a Saturday, Sunday, or an approved federal or state holiday.

202.03B Petitions received by facsimile will not be accepted.

202.04 Filing date for procurement actions. Any petition regarding a procurement action must be filed within seventy-two (72) hours of the release of the Request for Proposal or the Invitation to Bid, or twenty-four hours prior to the submission date and time, whichever is earlier, or within seventy-two (72) hours of receipt of a notice of a rejection of a bid or proposal or notice of a contract award. For a petition on a procurement action, the petition must be physically received by the Tax Commissioner within the appropriate time period.

202.04A A postmark date will not be sufficient to make a petition timely if the petition is not physically received by the appropriate time.

202.04B Petitions received by facsimile will not be accepted.

202.05 The period fixed by statute or regulation within which to file a petition cannot be extended. If a petition is not filed within the statutory or regulatory period, it will not be considered by the Tax Commissioner, but will be returned certified mail, return receipt requested.

(Sections 9-819 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-203 COMMENCEMENT OF PROCEEDINGS

203.01 These regulations shall be followed by any person filing a petition under the State Lottery Act with the Tax Commissioner. A petition may be filed to request a declaratory ruling or the promulgation, amendment, or repeal of any regulation, ruling, or form published by the Division. A petition may also be filed on procurement actions, such as to request a modification of a Request of Proposal or Invitation to Bid, or to seek a review of a rejection of a bid or proposal or review of a contract award.

203.02 Petition content. The following information shall be supplied by the petitioner when filing a request with the Tax Commissioner. The petition shall:

203.02A Identify the petitioner;

203.02B Set forth sufficient facts so as to identify the item under consideration;

203.02C Set forth sufficient reason for believing the item under consideration should be promulgated, reviewed, amended, or repealed so as to acquaint the Tax Commissioner with the exact basis thereof;

203.02D Demand the relief the petitioner is seeking. If filed for the promulgation or amendment of a published item, a copy of the petitioner's proposed language must be included;

203.02E Be in writing; and

203.02F Be signed by the petitioner or a person authorized by the petitioner.

203.03 Request for oral hearing. All petitions filed, except petitions regarding procurement actions, shall be presumed to be a request for an oral hearing.

203.03A A petition regarding a procurement action shall not be presumed to be a request for an oral hearing. The Tax Commissioner shall grant a petitioner, or his or her authorized representative, an opportunity for an oral hearing if the petitioner so requests in the written petition.

203.03B If the petitioner for a petition regarding a procurement action wants the District Court Rules of Evidence to be used in a hearing, the petitioner shall include the request in the written petition.

203.04 Amendment of petition. A petitioner may, at any time before or during the hearing, amend the petition. The request to prepare or the receipt of an amended petition shall be considered good cause for a continuance and the hearing officer, on his or her own motion or on the motion of any of the parties, may continue the hearing.

(Sections 9-819 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-204 PROCEEDINGS INITIATED BY THE DIVISION

204.01 The Division may deny an application for a Lottery Game Retailer's Contract, suspend or terminate such contract, or impose an administrative fine against a Lottery Game Retailer pursuant to the provisions of the Act.

204.02 Violations of the Act and any rule or regulation promulgated pursuant to that Act and breach of any provisions of the contract, if applicable, shall constitute grounds to deny a Lottery Game Retailer's application, or suspend or terminate such contract or to levy an administrative fine against the Lottery Game Retailer.

204.03 Notice of intended denial, suspension or termination. The Division shall give notice to the applicant or contractor of its intention to take administrative action. Notice shall be given by certified mail, return receipt requested, and shall:

204.03A Identify the party and action to be taken;

204.03B Set forth each ground justifying the action to be taken in a manner sufficient to acquaint the party with the basis thereof;

204.03C Be in writing;

204.03D Inform the party that a written petition may be filed with the Tax Commissioner on or before the tenth (10) day following the mailing date of the Division's notice of its intended administrative action, requesting a redetermination of such intended action through an administrative hearing.

204.04 Administrative fines. The Division may institute proceedings to levy administrative fines against a Lottery Game Retailer for violations of the Act or regulations promulgated under the Act. Such proceedings shall be held in accordance with the provisions for notice and the conduct of administrative hearings contained in these practice and procedure regulations.

204.04A Administrative fines imposed by the Tax Commissioner may be up to one thousand dollars (\$1,000) per violation. Each violation on the part of the Lottery Game Retailer may be the subject of a fine. In imposing such administrative fines, the Tax Commissioner shall take the following factor into account;

204.04A(1) The severity of the violation; and

204.04A(2) The financial gain derived by the Lottery Game Retailer as a result of the violation.

204.04B Any administrative fines imposed under the Act, and these regulations shall be subject to all collection measures available to the Nebraska Department of Revenue on behalf of the State of Nebraska.

204.05 Denial of Application. The Division may institute proceedings to deny an application pursuant to Reg-401, 402, and 403.

204.06 Suspension or termination of contract. The Division may institute proceedings to suspend or terminate a Lottery Game Retailer contract or addendum thereto in accordance with Reg-405.

204.07 Final if not protested. If the party does not file a written protest with the Tax Commissioner on or before the tenth (10) day following the mailing date of the Division's notice to the party of its intent to initiate an administrative action, the Division's intended action shall be considered final.

204.08 Notice of hearing. Upon receipt of a petition requesting a redetermination of the Division's intended administrative action, the Division shall give notice of hearing by certified mail, return receipt requested, to the petitioner identifying the time, date, and place for hearing.

204.09 Petition contents. These regulations shall be followed when filing a request for redetermination of the Division's intended administrative action.

204.09A Identify the petitioner;

204.09B Identify the contract the Division has indicated an intent to deny, terminate, or levy an administrative fine;

204.09C Set forth all reasons for believing that the matter under consideration should be redetermined, with facts sufficient to acquaint the Tax Commissioner of the exact basis thereof;

204.09D Demand the release or action the petitioner is seeking;

204.09E Be in writing, and

204.09F Be signed by the petitioner or a person authorized by the petitioner.

204.10 Filing Date. Petitioner must file a written request for redetermination of the Division's intended administrative action with the Tax Commissioner on or before the tenth (10) day following the mailing date of the Division's notice to the applicant of its intent to take administrative action.

(Sections 9-819, 9-823, and 9-832, R.R.S. 2012. October 7, 2015.)

REG-205 PREHEARING PROCEDURE

205.01 Informal Conference. Any party may request that an informal conference be held for the purpose of resolving issues of fact, attempting to resolve the matter in whole or in part without a formal hearing, or otherwise assisting in the preparation of a formal hearing.

205.02 Stipulation. It is expected that before a formal hearing, all parties will stipulate to evidence to the fullest extent possible so that a complete or qualified agreement can be reached regarding material facts that are not or should not fairly be in dispute.

(Sections 9-819 and 9-823, R.R.S. 2012. May 28, 1993.)

REG-206 PROCEDURE FOR PROCEEDINGS BEFORE THE TAX COMMISSIONER

206.01 Schedule of Hearings. The time and place of any hearings shall be set by the Tax Commissioner or his or her authorized representative after proceedings have commenced. The hearing shall be scheduled as soon as practical. Hearings on contract suspensions, terminations and administrative penalties will be held within thirty (30) days of receipt of petition for redetermination. Written notice of the time, date, and place of any hearing shall be given at least ten (10) days prior to the date of hearing unless notice is waived by the parties.

206.02 Motions.

206.02A General Form and Procedure. Motions may be filed with the Tax Commissioner by any party or upon the Tax Commissioner's own motion as soon as either party becomes aware of the facts requiring the motion. The motion must state specifically the facts as to why it is necessary. If the motion is made orally, the Tax Commissioner may request that it be reduced to writing and filed with the Department. To avoid a hearing on a motion, it is advisable to secure the consent of the opposing party prior to filing a motion. If consent of the opposing party to a motion is not obtained, a hearing on the motion may be scheduled and the parties notified. The burden will be on the party filing the motion to show good cause why the motion should be granted. Notice will be given to all parties of the ruling of the Hearing Officer on the motion.

206.02B Types of Motions. Types of motions which may be made by either party include, but are not limited to:

206.02B(1) Motion for Dismissal, which may be made on the following grounds for:

206.02B(1)(a) Lack of jurisdiction, including, but not limited to, whether the petitioner is the proper party in the proceeding, or whether the petition was filed within the statutory time limit;

206.02B(1)(b) Failure of a party to state a cause of action; or

206.02B(1)(c) Failure of a party to comply with these practice and procedure regulations.

206.02B(2) Motion for default judgment may be filed and may be sustained whenever the party having the burden of proof fails to appear at a hearing;

206.02B(3) Motion for consolidation may be made when substantially similar issues affect different parties.

206.03 Oath. All testimony presented before the Hearing Officer shall be given under oath which the Hearing Officer will have the authority to administer.

206.04 Production of Evidence and Testimony. The Hearing Officer may issue subpoenas, as permitted by law, compelling the attendance of witnesses, in the production of records, papers, books, accounts, and documents, and cause the taking of depositions in accordance with the District Court Rules.

206.04A Subpoena. When a subpoena is desired to effectuate discovery or to compel testimony at a hearing, the proper parties shall indicate to the Hearing Officer the name of the case, and the names and last-known addresses of the witnesses to be called. If evidence other than oral testimony is required, each item to be produced must be adequately described. When properly prepared, the subpoena will be returned to the requesting party for service. Service may be made either by mailing a copy thereof by certified mail, return receipt requested, no less than six (6) days before the hearing date of the cause which the witnesses are required to attend or personally, by any person not interested in the action.

206.05 Admissibility of Evidence.

206.05A Evidence having probative value. The Hearing Officer may admit evidence which possesses probative value commonly accepted among reasonably prudent men or women in the conduct of their own affairs. Incompetent, irrelevant, immaterial, and unduly repetitious evidence may be excluded. A party may request that the Nebraska Rules of Evidence in use by the District Courts be used at hearing in accordance with Reg-206.09B.

206.05B Copies as Evidence. A copy of any book, record, paper, or document may be offered directly in evidence in lieu of their original where the original is unavailable or where there is no objection and where the original is admitted into evidence, a copy may be substituted later for the original or such part thereof as may be material or relevant upon leave granted in the discretion of the Hearing Officer.

206.06 Exhibits.

206.06A Identification of Exhibits. Exhibits entered into evidence shall be numbered in the order in which they are received.

206.06B Disposition of Exhibits. After a Findings and Order has become final, either party desiring the return, at his or her own expense, of any exhibit belonging to him or her shall make application in writing to the Hearing Officer within thirty (30) days suggesting a practical manner of delivery; otherwise, exhibits may be disposed of as the Hearing Officer deems advisable.

206.07 Official Notice of Evidence. The Hearing Officer may take notice of judicially recognizable facts and of general, technical, or scientific facts within the specialized knowledge of the Tax Commissioner's office. Parties to a proceeding shall be notified either before or during the hearing of the facts so noticed and shall be afforded an opportunity to contest such facts.

206.08 Evidence outside the Record. Except as provided by these practice and procedure regulations, the Hearing Officer will not consider factual information or evidence in the determination of any proceeding unless the same shall have been offered and made a part of the record in the proceeding.

206.09 Presentation of Evidentiary Testimony.

206.09A Presentation. At any hearing, every party thereto shall have the right to present evidence and testimony of witnesses and to cross-examine any witness who testifies on behalf of an adverse party. Opportunity shall be afforded every party to present evidence and testimony as rebuttal to evidence presented by another party, except that repetitious evidence shall be excluded.

206.09B Rules of Evidence. Any party may request that the proceeding be bound by the Rules of Evidence applicable in a District Court in Nebraska. Such party shall file with the Hearing Officer, at least three (3) days prior to the date of the scheduled hearing, a written request that the hearing be so conducted. A request for the application of District Court Rules of Evidence shall be in writing and include an agreement by the requesting party that he or she shall pay the cost incurred by the request if a final decision is rendered against the requesting party.

206.09B(1) All costs of a formal hearing, except as set out below, shall be paid by the party or parties against whom a final decision is rendered. The party requesting the District Court Rules of Evidence may procure at his or her own cost and on his or her own initiative the court reporting services for the hearing.

206.10 Conduct of hearing. Hearings shall be conducted by a Hearing Officer who, among other things, will open the proceedings, take appearances, administer oaths, and subpoena witnesses; hear the evidence and rule on the motions and objections; interrogate witnesses; and close the proceedings. If the party is not represented by anyone qualified to make an appearance, the Hearing Officer shall explain to the party the rules of practice and procedure

and shall generally conduct a hearing in a less formal manner than that used when a party has a representative qualified to appear. It should be the purpose of the Hearing Officer to assist any party who appears without such a representative to the extent necessary to allow him or her to fairly present his or her evidence, testimony, and arguments on the issues.

206.11 Arguments as to Law. The parties should be prepared to make oral arguments as to the law at the conclusion of a hearing. A written memorandum of law may be filed at the time of the hearing at the discretion of any party or at a time subsequent to the hearing if the Hearing Officer so directs.

206.12 Records. A party may request and obtain a certified copy of the record of the hearing. Charges for preparing the certified copy of the record shall be paid by the party requesting it. Testimony in any hearing may be taken by tape-recording. The official record will consist of exhibits and transcriptions of said recording.

(Sections 9-819, 9-823, and 9-832, R.R.S. 2012. August 29, 1996.)

REG-207 DETERMINATION BY THE TAX COMMISSIONER AND APPEALS

207.01 Notification of the Findings and Order of the Tax Commissioner under all proceedings shall be served upon the petitioner. Notice shall be in writing and shall state the findings of fact and conclusions of law reached by the Tax Commissioner. The findings of fact shall consist of a concise statement of the conclusions upon each contested issue of fact. The petitioner may initiate an appeal after service is made of the Tax Commissioner's decision or Findings and Order. Service of such decision and notice shall be by certified mail, return receipt requested, and service upon party will be considered to have been completed as of the date of deposit in the United States Post Office.

207.02 Appeal. An aggrieved party seeking review of an order or decision of the Tax Commissioner shall file an appeal with the District Court of Lancaster County within thirty (30) days after the date of such order or decision. Such proceeding shall be considered a contested case pursuant to the Administrative Procedure Act.

(Sections 9-819, 9-820, 9-821, and 9-823, R.R.S. 2012. May 28, 1993.)

REG-208 LOTTERY RULES AND REGULATIONS

208.01 General. These regulations shall apply to the promulgation, amendment, and repeal of any rules and regulations issued pursuant to the Act. Such rules and regulations shall be exempt from the Administrative Procedure Act.

208.02 Before the promulgation, amendment, or repeal of any regulation pursuant to the Act may occur, a public hearing shall be held by the Tax Commissioner or his or her designated representative.

208.02A Notice of the hearing shall be given at least twenty (20) days in advance in a newspaper of general circulation in the state.

208.02B The Tax Commissioner shall approve, approve as modified, or disapprove the proposed regulation, amendment, or repeal of such regulation within ten (10) days of the hearing.

208.03 Certified copies of the regulations, for informational purposes only, shall be submitted to the Attorney General and Secretary of State.

208.04 Copies of regulations in force shall be made available to persons upon request.

208.05 Rules and procedures, including game and promotion rules and procedures, may be promulgated, adopted, amended, and repealed by the Director after it has been determined by the Director that such rule or procedure

promulgation, adoption, amendment or repeal is in the best interests of the Division. Game and promotion rules and procedures do not require public hearing prior to adoption.

208.06 Rules and procedures which do not relate to security procedures of the Division shall be made available to persons upon request.

(Sections 9-819 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-301 GENERAL

301.01 Purchasing in general. The Division may purchase, lease, lease-purchase, or enter into lottery procurement contracts for goods or services necessary for effectuating the purposes of the Act.

301.02 Lottery procurement contracts entered into by the Division are not subject to the provisions of Nebraska law regarding the purchase of goods or services.

301.03 The Division may purchase, lease or enter into a contract for goods expected to cost in aggregate ten thousand dollars (\$10,000) or less, or services expected to cost in the aggregate twenty-five thousand dollars (\$25,000) or less, in any manner deemed appropriate by the Director.

301.04 It is the policy of the Division to contribute to the establishment, preservation, and strengthening of businesses owned by women and minorities to encourage their participation in state procurement activities. The Division encourages these firms to compete and encourages nonminority firms to provide for the participation of businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities.

301.05 It is the policy of the Division to encourage a drug-free workplace. The Division encourages all vendors or prospective vendors to establish a drug-free workplace and to prohibit the illegal manufacture, possession, distribution or use of controlled substances in the workplace. For vendors or prospective vendors of goods and services unique to the lottery, a drug-free workplace may be a qualification requirement for a contract.

(Sections 9-806 and 9-833, R.R.S. 2012. October 7, 2015.)

REG-302 COMPETITIVE BIDDING

302.01 Applicability. The purchase, lease, lease-purchase, or contracting for goods expected to cost in the aggregate in excess of ten thousand dollars (\$10,000) and services expected to cost in the aggregate in excess of twenty-five thousand dollars (\$25,000) shall be obtained as a result of competitive bidding, except as provided below.

302.01A The Division may exempt an item from competitive bidding other than a major procurement, if the item or service is unique, is purchased in quantities too small to be effectively purchased through competitive bidding, if there is an immediate or emergency need for the item, or if the Division determines that the best interests of the lottery will be served by exemption from the bidding process.

302.01B Whenever a purchase is exempt from competitive procurement procedures under these regulations, the Director is required to make a determination that the cost of the goods or services are reasonable under the circumstances. In making this reasonableness determination, the Director may use historical pricing data, and personal knowledge of product and marketplace conditions.

302.02 Methods of obtaining bids or proposals used by the Division. Bids or proposals are to be obtained by one of the following methods. If more than one method is applicable to the purchase of a particular item, the Division shall choose the method of bidding to be utilized.

302.02A Informal bids—goods. Informal bids are required for the purchase, lease, lease-purchase or entering into a contract for goods costing in the aggregate more than ten thousand dollars (\$10,000).

302.02A(1) The Division shall prepare a written invitation-to-bid (ITB) and shall mail, fax, hand deliver or email the ITB, to vendors on the list maintained under these regulations, Prospective Bidder Selection, in the business of providing the goods sought by the Division or shall place a link to an electronic version of the ITB on nelottery.com.

302.02A(2) The invitation to bid shall contain the due date and time of the bid opening, a complete description of the item needed, and any other necessary or proper items. All sample items must be received by the bid due date. The Department may elect how bidders may submit bids, including by mail, fax, hand delivery, email, telephone, or otherwise.

302.02A(3) Bids received prior to the time set for the bid opening of the bidding document shall be held by the Division unopened until the bid opening.

302.02A(4) All bids shall be opened by the Division. As the bids are opened, they will be summarized and tabulated, and the results of the summary/tabulations shall be made available to any interested party. The original bids and the summary/tabulations will be maintained by the Division for one year following the date on which the bids were opened, at which time all original bids, records and summary/tabulations may be destroyed by the Division.

302.02A(5) An award shall be made within ninety (90) calendar days from the date of the bid opening unless a different time frame is stated by the Division in the ITB or subsequently agreed to by the Division and the bidders. The price quoted by the bidders shall remain binding through the applicable time period. If an award is not made within the applicable time frame, all bids shall be deemed rejected. The Division is not required to issue notices of non-acceptance.

302.02B Informal bids - services. Informal bids are required for the purchase of services costing in the aggregate more than twenty-five thousand dollars (\$25,000).

302.02B(1) The Division shall solicit at least three bidders in the business of providing the services sought by the Division. If the Division is unable to discover at least three businesses which provide the services sought, the Division may solicit bids from fewer than three bidders.

302.02B(2) The results of all bids will be tabulated, and the results of the tabulations shall be made available to any interested party. A record of the bids and tabulations will be maintained by the Division for one year following the date on which the bids are solicited, at which time all original bids, records and tabulations may be destroyed by the Division.

302.02C Request for proposals. Request for proposals (RFP) are required for major procurements. The purpose of an RFP is to provide the vendor with sufficient information about the Division's requirements and goals to allow the vendor to propose a solution to the Division's requirements.

302.02C(1) The Division shall prepare a written RFP and shall send by electronic or U.S. mail the RFP to vendors on the list maintained under these regulations in the business of supplying the goods or services sought by the Division or shall place a link to an electronic version of the RFP on nelottery.com.

302.02C(2) Requests for proposals issued by the Division for all major procurements shall be advertised five (5) days before issuance in a daily paper of general circulation in Nebraska.

302.02C(3) The advertisement shall indicate that it is a notice to prospective vendors, contain the bid due date and time of opening, describe the items to be purchased, and provide the name, email address, and telephone number of the person to be contacted to obtain official bidding documents.

302.02C(4) Proposals shall be opened at the time designated in the RFP and made available to any interested party on the date and hour designated in the RFP. Any portions of the proposal that have been properly identified by the vendor as trade secrets or proprietary information shall not be disclosed by the Division, except as otherwise required by applicable state law.

302.02C(5) The selection of the apparent successful vendor shall be made within ninety (90) calendar days from the date of the proposal opening unless a different time frame is stated by the Division in the RFP during which the award shall be made or during which bids will remain binding or subsequently agreed to by the vendors. The terms quoted by the vendor shall remain binding throughout the time period for making an award, or the time period specified in the RFP. If an award is not made within the applicable time frame all proposals shall be deemed rejected.

302.02C(6) At a minimum an RFP shall address the following criteria: important dates in the proposal and the award process including the due date for the proposal and the date and hour of the proposal opening; the scope of the work to be performed and any specific requirements which the vendor must meet; the providing of samples, and any contractual terms and conditions which the Division anticipates may affect the terms of the vendor's proposal.

302.02D Department of Administrative Services. Goods and services may be obtained by the Division through the Department of Administrative Services whenever such procurement is possible and is in the best interest of the Division.

302.02E Emergency purchases. An emergency purchase procurement, other than a major procurement, shall be made when an unexpected, sudden, serious, or urgent situation demands immediate action. An emergency purchase may be used only to purchase goods necessary to meet the emergency. Subsequent purchases must be obtained through the normal purchasing procedures in these regulations. Competitive procedures are not required to make emergency purchase procurements.

302.02E(1) For an emergency purchase of goods more than ten thousand dollars (\$10,000), the Division will state in writing the nature of the emergency, the bidder selected, the goods procured, the date of the procurement and factors leading to a determination of the emergency purchase.

302.03 Changes in ITB or RFP. The Division may make changes to any solicitations at any time. Any changes will be sent to all persons who received the ITB or RFP.

302.04 Questions about ITB or RFP.

302.04A The Division may accept questions about any ITB submitted in any manner deemed acceptable to the Division. For an ITB, the Division is only required to answer a question only to the specific vendor asking the question, although it may elect to notify all potential bidders about the question and the Division's response.

302.04B The Division may accept questions about any RFP submitted in any other manner deemed acceptable to the Division. The Division will establish the date by which all questions have to be received. The Division may answer some or all of the questions received at its election. All answers to RFP questions will be in writing and will be provided in the same manner and to the same persons as changes to an RFP, along with a copy of the questions that were answered.

302.05 Cancellation of ITB or RFP. If an informal invitation to bid or request for proposal is canceled prior to the time set for opening the bids or proposals any responses already received shall be returned unopened.

(Sections 9-803, 9-806, 9-832, 9-833, 9-834, 9-835, and 9-836, 9-836.01, and 9-837, R.R.S. 2012. October 7, 2015.)

REG-303 BIDS OR PROPOSALS

303.01 Bids or proposals to conform with specifications. All bids or proposals must conform to the specifications indicated by the Division. Bids or proposals which do not conform to the specifications may be rejected. The Division reserves the right to waive deficiencies in the bids or proposals if in the judgment of the Division the best interests of the lottery would be served by the waiver.

303.01A Proposals only intended to include a portion of the project must clearly identify those requirements that were not included in the proposal. If no exclusions are stated, the proposal is presumed to include all of the requirements of the ITB or RFP.

303.02 Time of submission. All bids or proposals must be submitted by the bidder in sufficient time to physically reach the Division prior to the date and time set for submission established by the Division.

303.02A Bids or proposals received after the appropriate date and time shall not be returned to the bidder unless the bidder specifically requests their return.

303.02B The bidder is solely responsible for ensuring that bids or proposals are physically received by the Division prior to the date and time specified.

303.03 Modification or withdrawal of bids. Bids or proposals may be modified or withdrawn prior to the time and date set for submission. Modifications or withdrawals shall be in writing and delivered in a sealed envelope which properly identifies the correct bid or proposal to be modified or withdrawn. A bid or proposal may be withdrawn after the opening only with the approval of the Division if the Division finds that an honest error was made by the bidder which would cause undue financial hardship to the bidder and which would not cause undue financial hardship or inconvenience to the Division.

303.03A In any bid or proposal, where written words differ from figures, the written words will govern.

303.03B Any correction or alteration to a bid or proposal must be in writing and must be initialed, in ink, by the person who signs the bid or proposal.

(Sections 9-803, 9-806, 9-832, 9-833, 9-834, 9-835, and 9-836, 9-836.01, and 9-837, R.R.S. 2012. October 7, 2015.)

REG-304 FINANCIAL SECURITY

304.01 The Division may require security on bids or proposals. When security is required, the ITB or RFP may contain the types and amounts of security required, and the allowable forms for the security.

304.02 The following types of security may be required: bid or proposal security; litigation security; performance bond; or fidelity bond. A performance bond shall be required for a major procurement.

304.02A The amount for any performance bond will be the full amount estimated to be paid annually under the contract.

304.02B When litigation security is required, it will be retained for a period of one year, or such other period as specified in the RFP. The security may be released earlier if the bidder submits a covenant not to sue that is approved by the Division.

304.03 When required, a performance bond must be a bond issued by a surety licensed to do business in Nebraska on a form approved by the Division. For any other security required, the security may also be a certified or cashier's check payable to the Division, letter of credit payable to the Division, or any other form specified by the Division. Any certified or cashier's check, or letter of credit must be issued by a bank which is a member of the Federal

Reserve System which has a long-term debt rating by a recognized rating agency and is financially rated A- or better. Any letter of credit executed under this subdivision must also provide that:

304.03A Nothing more than a demand for payment is necessary for payment and the letter of credit is not conditional on the delivery of any other document or materials, reimbursement to the bank, the bank's ability to perfect any lien or security interest, or the terms of any other document, agreement, or contract; and

304.03B The letter of credit is irrevocable and cannot be modified or revoked without the consent of the Division.

304.04 A fidelity bond, when required, must cover any loss to the State of Nebraska or the Division due to any fraudulent or dishonest act on the part of the Lottery Vendor, any of its employees and agents, and any subcontractor and its employees and agents.

304.05 Any required security will remain in effect until at least thirty (30) days after notice by the surety or issuer of the cancellation of the security.

304.06 A Lottery Vendor may also be required to provide and carry various types of insurance.

(Sections 9-806 and 9-836, R.R.S. 2012. August 29, 1996.)

REG-305 EVALUATION OF BIDS OR PROPOSALS

305.01 For informal bids, the Division shall award the contract to the responsible bidder submitting the best proposal which maximizes the benefits to the State in the areas of security, competence, cost, and timely performance to benefit the public purpose of the Act. The best proposal will be determined in relationship to the products, equipment and related services promised using both objective and subjective criteria. The Division shall consider the following factors with regard to informal bids:

305.01A Cost, which shall be a major factor in every bid selection;

305.01A(1) The Division may consider the effect of cash discounts;

305.01B The competence, experience and financial status of the bidder;

305.01C Any prior experience of the Division or Department with the bidder;

305.01D The quality of products, equipment or services offered;

305.01D(1) Various items or services may require testing either before or after the final award of a contract, or as a part of a proposal. The Division may consider the results of the testing.

305.01D(1)(a) The bidder shall guarantee price and quality before and after testing.

305.01D(1)(b) The Division shall not be liable for any costs incurred by bidders in providing samples, unless specifically stated in the ITB or RFP.

305.01E The capability of the bidder to provide the products, equipment and services requested within the time indicated in the bid;

305.01F Whether the bidder is based in Nebraska; and

305.01G Such other factors as the Division may determine to be appropriate in the particular contract.

305.02 For any major procurement, the Division shall award the contract to the responsible vendor submitting the lowest and best proposal which maximizes the benefits to the state in the following areas:

305.02A The security offered by the vendor to ensure the lottery will operate with integrity, and in a manner that will reflect well upon the State of Nebraska;

305.02B The competence of the vendor as demonstrated by:

305.02B(1) Its experience, skill, and ability necessary to meet requirements set forth in the RFP;

305.02B(2) Prior experience in a comparable state lottery, or experience in other fields which are similar in scope or application;

305.02B(3) Its financial responsibility; and

305.02B(4) Its efforts to secure minority and female participation.

305.02C The quality of the products, equipment, or services offered, including, if applicable, whether products offered by the vendor are beneficial to the environment;

305.02D The capability of the vendor to offer and provide the products, equipment, and services requested in the RFP;

305.02E The ability of the vendor to perform the contract in the time specified in the RFP and during the term of the contract pursuant to the requirements of the Division;

305.02F A cost analysis to include identifiable costs associated with the acquisition, installation, operation, and final disposition of the proposed products or services. The analysis will include information from the proposal and other costs that will be incurred by the Division if the proposal is accepted. The lowest proposal is not necessarily the best proposal;

305.02G Whether the vendor is based in Nebraska; and

305.02H Such other factors as the Division may determine to be appropriate for the particular contract.

(Sections 9-806 and 9-835, R.R.S. 2012. August 10, 2000.)

REG-306 AWARDING OF CONTRACTS AND REJECTION OF BIDS OR PROPOSALS

306.01 Awarding of contracts. After completing the evaluation of bids or proposals, the Division will select a bidder or reject all bids. The Division will then begin negotiating with the bidder or award a contract. All major procurements must be approved by the Tax Commissioner.

306.01A The Division shall resolve ties among bids or proposals which are equal in all respects by drawing lots unless only one of the tied bidders is a Nebraska business. If only one of the bidders tied for an award is a Nebraska business, the Nebraska business shall be given preference over all tied out-of-state businesses.

306.01A(1) If it is necessary to draw lots the drawing shall, whenever practical, be held in the presence of the vendors who submitted the tied bids or proposals. If the tied vendors are not present, the drawing shall be held in front of at least two persons, and the Division shall document the drawing.

306.02 Rejection of bids or proposals. The Division reserves the right to reject any or all bids or proposals. Bids or proposals may be rejected because of faulty specifications, abandonment of the project, insufficient funds, evidence of unfair or flawed bidding process, failure of a bidder to meet the Division's requirements, or for any other reason if

the Division determines that the best interests of lottery will be served by rejecting any or all bids. Following the rejection of bids, new bids may be requested by the Division at any time deemed convenient by the Division.

(Sections 9-806 and 9-835, R.R.S. 2012. August 10, 2000.)

REG-307 CONTRACT REMEDIES

307.01 Remedies for the Division on goods or services which do not meet the contract.

307.01A In any case where the contractor fails to deliver or has delivered goods or services which do not meet the contract standards, the Division shall send a written "Notice to Cure" to the contractor for correction of the problem.

307.01A(1) If the contractor does not respond adequately to the "Notice to Cure," the Division may cancel the contract and buy goods or services from another bidder. Any increase between the contract price and market price will be paid by the contractor who failed to follow the contract. This remedy will be in addition to any other remedy provided by law or contract.

307.01B The Division may refuse to accept goods which exceed the number ordered. The goods may be returned to the contractor at the contractor's expense.

307.01C The Division shall be responsible for inspecting, accepting, or rejecting goods or services under contract.

307.01C(1) In rejecting goods or services, the division shall notify the contractor as soon as possible.

307.01C(2) The Division shall state the reasons for rejecting the goods or services and request prompt cure.

307.01C(3) Replacement goods or services shall be made available to the Division at a date acceptable to the Division.

307.01D Before the Division finds a contractor in default of contract, it will consider the specific reasons the contractor failed, and the time needed to get goods or services from other bidders.

307.02 Termination for convenience of the Division. A purchase order or contract may be terminated for the convenience of the Division by delivering to the bidder a notice of termination specifying the extent to which performance under the purchase order or contract is terminated and the date of the termination. After receipt of a notice of termination, the contractor must stop all work or deliveries under the purchase order or contract on the date and to the extent specified.

307.02A If the purchase order or contract is for commercial items generally sold in substantial quantities to the general public and no specific identifiable inventories were maintained exclusively for the lottery's use, no claims will be accepted by the Division. Payment will be made for items shipped prior to receipt of the termination notice.

307.02B If the purchase order or contract is for items being produced exclusively for the use of the lottery, and raw materials or services must be secured by the vendor from other sources, the vendor shall order no additional materials or services except as may be necessary for completion of any portion of the work which was not terminated. The Division may direct the delivery of the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of the work, or direct the vendor to sell the same, subject to the Division's approval as to price. The vendor may, with the approval of the Division retain the same, and apply a credit to the claim. The vendor must complete performance on any part of the purchase order or contract which was not terminated.

307.02C Within one hundred and twenty days (120) days after receipt of the notice of termination, or such longer period as the Division for good cause may allow, the vendor must submit any termination claim. This claim will be in a form and with certifications prescribed by the Division. The claim will be reviewed and forwarded with appropriate recommendations to the Tax Commissioner.

307.03 Assignment. A procurement contract entered into under these regulations may not be assigned without the specific written approval of the Division.

307.04 Bidder protests. Any bidder who claims to be aggrieved in connection with the award of a contract by the Division may protest the action of the Division by filing a written protest as provided in these regulations, Chapter 200 Practice and Procedure.

(Sections 9-806 and 9-835, R.R.S. 2012. October 7, 2015.)

REG-308 PROSPECTIVE BIDDER SELECTION

308.01 Any firm or business conducting business within Nebraska may request placement on the approved bidder list for a particular service or commodity by filing a written request with the Division. The Division may mail copies of solicitation documents to bidders on the list for a particular item or to any other bidder which the Division chooses to contact.

308.02 A bidder may be refused placement on the list or suspended or permanently removed from the list for any of the following reasons: failure to respond to three consecutive solicitations; failure to deliver within specified delivery dates; failure to deliver in accordance with specifications; attempts to influence decisions of any state employee involved in procurement process; evidence of agreements by the bidder to restrain trade or impede competitive bidding; and any other activities of the bidder which the Division determines would render the bidder unsuitable.

308.02A The Division shall notify a bidder in writing prior to refusing placement on the list, suspending the bidder from the list, or permanently removing the bidder from the list. The bidder shall be provided a reasonable opportunity to explain and cure any misconduct identified by the Division. If the Division ultimately refuses placement on the list or removes the bidder from the list, the bidder may appeal the Division's action pursuant to the criteria for bidder appeals contained in these regulations.

308.03 The Division shall select bidders to receive solicitation documents based on the Division's knowledge of the bidders in the particular market. The initial bidder selection shall be designed to promote the competitive bidding process and the best interests of the lottery. The Division shall also provide solicitation documents to qualified bidders upon request when the request is made during the solicitation period. The bidder is solely responsible for ensuring that the solicitation documents are received by the bidder.

308.04 Persons ineligible for contract. The Division may not enter into a procurement contract with a Lottery Vendor if any person with a substantial interest in the Lottery Vendor has been convicted of a felony or misdemeanor involving gambling, moral turpitude, dishonesty, or theft, or who has been convicted of any other felony within the last ten years preceding the submission of the information.

(Section 9-806, R.R.S. 2012. May 31, 1994.)

REG-309 DISCLOSURE FORM FOR LOTTERY VENDORS

309.01 Disclosure required. All persons desiring to submit a bid, proposal, or offer to the Division for any major procurement, must file a disclosure form with the Division.

309.01A The disclosure form will contain the information necessary to allow the Division to review and evaluate the competence, integrity, background, character, and the nature of the ownership and control of Lottery Vendors for major procurements.

309.01B The Division shall determine which vendors have to complete the disclosure form and provide the information.

309.01C The disclosure form and information must be provided to the Division only once.

309.01C(1) Whenever information that is required to be provided under this regulation changes, the Lottery Vendor shall notify the Division and provide the updated information within thirty (30) days of the change.

309.01C(2) Each year, prior to August 1, every Lottery Vendor will file a statement indicating that the information on file with the Division, as updated, is correct.

309.01C(3) The Division may require any proposal or bid for a major procurement contain a statement on the accuracy of the information on file.

309.02 The following information must be provided to the Division:

309.02A The name, address, type of business entity;

309.02B The identity of the owners and those in control of the Lottery Vendor as required in sections 309.03 and 309.04 of this regulation;

309.02C The place of incorporation, if any;

309.02D The states and jurisdictions in which the Lottery Vendor is qualified to do business, the states and jurisdictions in which the Lottery Vendor does business, and the nature of the business in each state or jurisdiction;

309.02E The states and jurisdictions in which the Lottery Vendor has contracts to supply goods or services related to lottery games or other gambling scheme, and the nature of the goods and services involved in each state. Vendors must also disclose the names of the companies or entities they supply these goods and services to;

309.02F The states and jurisdictions in which the Lottery Vendor has applied for, sought renewal of, received, been denied, or had suspended, canceled, or revoked a contract or license of any kind in connection with any lottery game or other gambling scheme:

309.02F(1) The status of such application, license or contract in each state;

309.02F(2) All of the facts and circumstances underlying any of the following situations:

309.02F(2)(i) Any contract or license that has been suspended, canceled, terminated, revoked, or not renewed; or

309.02F(2)(ii) Any license application that was denied or which has been pending for six months or more;

309.02G The name, address, and telephone number of each of the following:

309.02G(1) The resident agent to contact regarding matters of the Lottery Vendor and for service of process;

309.02G(2) Each attorney and law firm representing the Lottery Vendor in this state;

309.02G(3) Each accountant or accounting firm representing the Lottery Vendor in this state or preparing information for use by the Division;

309.02G(4) Each person engaged by the Lottery Vendor or involved in aiding the Lottery Vendor's efforts to obtain the contract or procurement at the time of the disclosure or during the prior year. Include each accountant, accounting firm, attorney, law firm, consultant, lobbyist, public relations firms, sales agent, or any other person.

309.02H The details of any bankruptcy, insolvency, reorganization, or pending litigation involving the Lottery Vendor;

309.02I The identity of any entity with which the Lottery Vendor furnishes goods or services related to lottery games or other gambling scheme in any state or jurisdiction through any of the following:

309.02I(1) A joint venture with another entity;

309.02I(2) An entity jointly owned by the Lottery Vendor and the other entity; or

309.02I(3) Other contractual agreement.

309.02J The Lottery Vendor's audited financial statements for the three years prior to disclosure. Vendors must also disclose any liens filed against the vendor or any person with a substantial interest in the vendor;

309.02K The Lottery Vendor's federal and state income tax returns for the three years prior to disclosure;

309.02L The Lottery Vendor's registered lobbyists as well as all monetary accounts managed by those lobbyists; and

309.02M Any additional disclosures determined by the Division to be appropriate for the major procurement involved.

309.03 The Lottery Vendor must provide information regarding those who own or have an interest in the Lottery Vendor. The information depends upon the type of business organization used by the Lottery Vendor. The Lottery Vendor must provide information for each person as specified in this section. For natural persons, the Lottery Vendor must provide the name, address, date of birth, and social security number. For all other entities, the Lottery Vendor must provide the name, address and Federal Employer Identification Number.

309.03A If the Lottery Vendor is a corporation, the officers, directors, and shareholders.

309.03A(1) If the Lottery Vendor is a subsidiary, the officers, directors, and shareholders of the parent corporation.

309.03A(2) For publicly traded corporations, shareholders owning less than ten percent (10%) of the publicly held equity securities do not need to be disclosed.

309.03B If the Lottery Vendor is a trust, the trustee, beneficiaries, and any other person entitled to receive income or benefit from the trust.

309.03C If the Lottery Vendor is a partnership or joint venture, the general partners, limited partners, or joint venturers.

309.03D If the Lottery Vendor is an association, the members, officers, and directors.

309.03E If the Lottery Vendor is a limited liability company, the members of such company.

309.03F For any subcontractor performing a substantial portion of the work, all of the information required in subsections 309.03 and 309.04 of this regulation must be provided for the subcontractor.

309.03G If the parent company, general partner, limited partner, or joint venture of the Lottery Vendor is itself a corporation, trust, association, subsidiary, partnership, or joint venture, all of the information for such other entity as if it were itself the Lottery Vendor.

309.03G(1) In a chain of ownership, the disclosures will continue until the ultimate ownership is fully disclosed.

309.04 The identity, including name, address, social security number, and date of birth, of any past or present Director, past or present employee of the Division, or any parent, child, brother, sister, or spouse of the Lottery Vendor who holds any direct or indirect financial interest with respect to the Lottery Vendor, including any of the following:

309.04A Such person is a director, employee, officer, owner, partner, or stockholder of the Lottery Vendor;

309.04B Such person is a consultant, debt holder, independent contractor, principal, or subcontractor; or

309.04C Such person holds any interest or has a relationship from which or as a result of which the person has received, is receiving, or will be entitled to receive more than one thousand dollars (\$1,000) over any five-year period beginning not more than five (5) years prior to the disclosure or ending more than five (5) years after the disclosure.

309.05 Background and informational statements. Lottery Vendors may be required to submit to checks or investigations of criminal history, fingerprints, background, financial responsibility, or integrity of any person with a substantial interest, or of any key personnel as determined by the Division who will be involved with the products or services in the lottery procurement.

309.05A The Lottery Vendor will pay all expenses incurred by the Division in completing the checks and investigations, including any and all subsequent background investigations throughout the term of the contract.

(Sections 9-806, 9-816, 9-817, and 9-1,104, R.R.S. 2012. October 7, 2015.)

REG-401 LOTTERY GAME RETAILER APPLICANTS

401.01 The Division may contract with persons to act as Lottery Game Retailers. The Division will only contract with those persons who will, in the judgment of the Division, meet the statutory requirements for contracting, promote the sale of lottery tickets and materials, promote the best interests of the Division and of the State, and achieve the goals of the Act.

401.01A Any person interested in obtaining a contract as a Lottery Game Retailer must first file an application with the Division on forms supplied for that purpose by the Division. The application form shall be designed to solicit sufficient relevant information from an applicant to permit the Division to make a determination pursuant to the Act and these regulations for issuance of a contract.

401.01B Contract of a Lottery Game Retailer in any capacity is a privilege personal to that person and is not a legal right. Such contract may be terminated by the Division or by a Lottery Game Retailer by surrender of the contract to the Division.

401.02 Eligibility for a contract. An application submitted in the following situations cannot be accepted for a contract as a Lottery Game Retailer:

401.02A Any person who will engage in business solely as a Lottery Game Retailer;

401.02B Any person who is under the age of nineteen (19);

401.02C Any person who has been convicted of a felony or misdemeanor involving gambling, moral turpitude, dishonesty, or theft;

401.02D Any person who has been convicted of any felony in the last ten (10) years;

401.02E Any person who has been convicted of a violation of the Nebraska Bingo Act, The Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, the State Lottery Act, or Chapter 28, article 11;

401.02F Any person who has had a license revoked or denied under any of the acts listed in Reg-401.02E;

401.02G Any person who has had a license or contract to sell tickets in a lottery in another jurisdiction revoked by the authority regulating such lottery or by a court of such jurisdiction;

401.02H Any person who has not been in substantial compliance with Nebraska tax laws during the last five (5) years;

401.02I Any person who is the Tax Commissioner or an employee of the Division, or who is the spouse, child, brother, sister, or parent, by blood or marriage, residing as a member of the same household or in the principal place of abode of the Tax Commissioner or an employee of the Division;

401.02J Any foreign corporation which is not currently registered to do business within Nebraska; and

401.02K Any person for a location which is licensed for the sale of alcoholic beverages for consumption on the premises unless such establishment holds a Class C liquor license with a sampling designation.

401.03 Identification of persons with substantial interest. The Lottery Game Retailer must provide information regarding those who own or have an interest in the Lottery Game Retailer. The information depends upon the type of business organization used by the Lottery Game Retailer. The Lottery Game Retailer must provide information for each person as specified in this section. For natural persons, the Lottery Game Retailer must provide the name, address, date of birth, and social security number. For all other entities, the Lottery Game Retailer must provide the name, address and Federal Employer Identification Number.

401.03A If the Lottery Game Retailer is a corporation, the officers, and shareholders;

401.03A(1) If the Lottery Game Retailer is a subsidiary, the officers, and shareholders of the parent corporation.

401.03A(2) For publicly traded corporations, shareholders owning less than ten percent (10%) do not need to be disclosed.

401.03B If the Lottery Game Retailer is a trust, the trustee, beneficiaries, and any other person entitled to receive income or benefit from the trust;

401.03C If the Lottery Game Retailer is a partnership or joint venture, the general partners, and limited partners, or joint ventures;

401.03D If the Lottery Game Retailer is an association, the members, officers, and directors;

401.03E If the Lottery Game Retailer is a limited liability company, the members and managers; and

401.03F If the parent company, general partner, limited partner, or joint ventures of the Lottery Game Retailer is itself a corporation, trust, association, subsidiary, partnership, limited liability company or joint venture, the same information is required for such other entity as if it were itself the Lottery Game Retailer;

401.03F(1) In a chain of ownership, the same disclosures will continue until the ultimate ownership is fully disclosed.

401.04 Background and informational statements. Lottery Game Retailers may be required to submit to checks or investigations of criminal history, fingerprints, background, financial responsibility, or integrity of any person with a substantial interest as defined in Reg-101.27, or of any key personnel who will be involved with the products or services in the operation of the lottery retail activities.

401.04A The Lottery Game Retailer will pay all expenses incurred by the Division in completing the checks and investigations.

(Sections 9-823, 9-824, 9-825, and 9-826, R.R.S. 2012. October 7, 2015.)

REG-402 EVALUATION OF INSTANT-WIN TICKET LOTTERY GAME RETAILER APPLICANTS

402.01 Disqualification, grounds of refusal of a contract. The Division shall refuse to grant a contract to any applicant who has been convicted of any felony within ten (10) years, or any crime related to theft, gambling, or moral turpitude.

402.02 Issuance of contracts. Prior to issuing any contract, the Division shall consider the following factors in making this determination:

402.02A The moral character and reputation of the applicant;

402.02B The financial responsibility and security of the applicant and its business or activity;

402.02C The accessibility of the public to the contract premises proposed by the applicant, and compliance with the Americans with Disabilities Act;

402.02D The number and sufficiency of existing contracts to serve the public interest;

402.02E The volume of the applicant's expected lottery ticket sales;

402.02F The security and efficiency of the operation of the lottery;

402.02G Whether the applicant is ineligible under any provisions of the Act or these regulations;

402.02H Whether the applicant has provided false or misleading information or has misrepresented information regarding qualifications or fitness for holding a contract; and

402.02I Whether the applicant is a Nebraska corporation or licensed to do business in this state.

(Sections 9-814, 9-823, 9-824, 9-826, 9-828, and 9-832, R.R.S. 2012. October 7, 2015.)

REG-403 SELECTION OF ON-LINE LOTTERY GAME RETAILER

403.01 General. Only instant-win ticket Lottery Game Retailers will be selected as on-line retailers. A presumption exists that all persons that have applied and qualified as instant-win ticket Lottery Game Retailers desire to be considered for selection as an on-line Lottery Game Retailer unless otherwise notified.

403.02 Selection criteria. In addition to the factors set forth in Reg-402.02 for becoming an instant-win ticket Lottery Game Retailer, the Division shall specifically consider the following factors in selecting an on-line Lottery Game Retailer:

403.02A Financial responsibility of the retailer;

403.02B Retailer's business or activity;

403.02C Accessibility of the retailer's place of business to the public;

403.02D Efficiency of existing retailers in serving the public convenience, including:

403.02D(1) Geographical representation,

403.02D(2) Customer count,

403.02D(3) Business hours/days open, and

403.02D(4) Specific location and traffic patterns;

403.02E Volume of expected sales;

403.02E(1) Recent instant-win ticket sales history will be examined; and

403.02F Whether the selection will promote the best interests of the Division and achieve the goals of the Act. The Division will examine:

403.02F(1) Ability and/or willingness to promote the Division;

403.02F(2) Willingness to provide strategic space for the on-line terminal and POS items; and

403.02F(3) Positive attitude about the Division and ability to project a positive image for the Division.

(Sections 9-814, 9-823, 9-824, 9-826, and 9-828, R.R.S. 2012. October 7, 2015.)

REG-404 LOTTERY GAME RETAILER CONTRACT

404.01 Upon receipt, review, and investigation of applications and applicant background, the Division may issue contracts for sales of lottery tickets in accordance with these regulations. The Division shall contract only such persons or entities which, in its opinion, will best serve the public interest and public trust in the lottery and promote the sale of lottery tickets.

404.02 Contract. The Division shall enter into a contract with each Lottery Game Retailer for the sale of instant and on-line tickets. Such contract shall set out the duties, responsibilities, and obligations of the parties to the contract. Such contract to continue in effect during the period the retailer complies with applicable statutes, regulation, fee requirements, and any other duties or requirements under the terms of the contract and these regulations.

404.03 **Repealed.**

404.04 Types of contracts. The Lottery may enter into the following types of contracts for Lottery Game Retailers.

404.04A Regular contract. A regular contract as a Lottery Game Retailer is a contract that is valid for an indefinite period until suspended or terminated. The Division may require periodic filings of changes or

modifications to the information required under Reg-401, Lottery Game Retailer Applicants, as filed with the original application or the last update, or a statement that the information on file is still accurate.

404.04B Temporary contract. For specific events and activities or under such special conditions and for limited duration, the Division may issue to organizations or other persons a temporary contract for the duration of the event or conditions with such special terms as the Division may deem desirable.

404.04B(1) The Division may also enter into a temporary contract for a period of less than one (1) year with any person, who would otherwise be qualified for a regular contract.

404.05 Compensation. Each Lottery Game Retailer is entitled to compensation for their activities as Lottery Game Retailers which include selling lottery tickets, redeeming lottery prizes and other activities required by the Division. This compensation shall be calculated as ~~five~~ six percent (~~5~~6%) of the retail value of packs of instant-win tickets purchased from the Division, reduced by the value of packs of instant-win tickets returned to the Division, five and one-half percent (5.5%) of the net proceeds from the sale of on-line lottery tickets by the Lottery Game Retailer, and five and one-half percent (5.5%) of the face value of on-line tickets issued by the Lottery Game Retailer from the redemption of coupons, promotional discounts, gift certificates and prizes. Lottery Game Retailers shall not accept any compensation for the sale of lottery tickets other than that set forth in this regulation, regardless of the source unless such compensation is otherwise specifically adopted or approved in writing by the Division.

404.06 Promotion of the lottery. Each Lottery Game Retailer shall agree to actively promote the lottery and shall sell all lottery products they are authorized to sell and to maintain a retailer's manual, point-of-sale materials and displays in accordance with instructions of the Division.

404.07 Contracts nontransferable. Each contract will authorize a specified organization to sell tickets at a specified location. No contract may be assigned or transferred to another person or organization. No other person or organization shall be subcontracted to perform any of the duties required in the Lottery Game Retailer contract. If the control of a Lottery Game Retailer changes hands, the Lottery Game Retailer may not sell any additional tickets until the Lottery Game Retailer has submitted a new application and has been granted a new contract.

404.08 Change of Lottery Game Retailer location. If a Lottery Game Retailer changes the location of the place of business, the Lottery Game Retailer shall not sell tickets at the new location until the Division has authorized the transfer of the Lottery Game Retailer. The Division shall consider the information concerning the Lottery Game Retailer's new location in the same manner as it would consider an initial application for that location.

404.08A The Division may approve a temporary location for a period of less than one (1) year for any existing Lottery Game Retailer. Such temporary location may be either in addition to or in place of the Lottery Game Retailer's originally approved location.

404.09 Changes to application information. The Lottery Game Retailer must notify the Division of any changes in the information provided with its application. The updated information must be provided within thirty (30) days of the change.

404.09A The changes that must be reported include, but are not limited to, any change in business structure, officers, board of directors, persons with substantial interest, business address, or the hiring of additional personnel needing background checks

404.10 Inspection of premises. Lottery Game Retailers shall allow employees or agents of the Division to enter upon the Retailer's premises in order to inspect lottery materials, tickets, and the premises. All books and records pertaining to the Lottery Game Retailer's lottery business, including video surveillance records, shall be available to the Division for inspection and copying during normal business hours of the Lottery Game Retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the Lottery Game Retailer's lottery activities are subject to seizure by the Division without prior notice. Copies of video surveillance records shall be made available upon demand by the Division.

(Sections 9-827, 9-828, and 9-832, R.R.S. 2012. October 7, 2015.)

REG-405 TERMINATION OR SUSPENSION OF CONTRACT.

405.01 The Division may, for any reason outlined in these regulations, the Act, or the contract, terminate or suspend a contract with a Lottery Game Retailer.

405.02 Suspension of Contract. If the Division has evidence that a Lottery Game Retailer has violated any of the provisions in Reg-405.03, the Division may immediately suspend such contract. The suspension shall remain in effect until the Tax Commissioner has canceled the suspension or issued an order regarding termination of the contract.

405.03 Violations. The Division may suspend or terminate the contract of any Lottery Game Retailer who violates one or more of the provisions set out below.

405.03A The Lottery Game Retailer shall continue to meet the standards for entering into a contract and any addendum thereof;

405.03B The Lottery Game Retailer shall comply with these regulations, the Act, the terms of the contract and any addendum thereof, Policies and Procedures of the Division, Lottery Game Rules and Procedures, and other requirements adopted, promulgated, or issued by the Division;

405.03C A Lottery Game Retailer shall not sell a ticket for a price greater than or less than the price stated by the Division;

405.03D A Lottery Game Retailer shall not extend credit on the sales of lottery tickets. The acceptance of payment by check or credit card or debit card is not an extension of credit by the Lottery Game Retailer and is permitted;

405.03E A Lottery Game Retailer shall not sell a ticket at a location or on a premises different than that shown on the contract. For purposes of this regulation, the sale of a lottery ticket at a Lottery Game Retailer location means a lottery transaction in which all elements of the sale between the Lottery Game Retailer and the purchaser must take place on site at the designated location including the exchange of consideration, the exchange of the play slip if applicable and the exchange of the ticket.

405.03F A Lottery Game Retailer shall not permit any other person to sell tickets delivered to the retailer; however, the Lottery Game Retailer may sell tickets through its employees;

405.03G A Lottery Game Retailer shall not sell a ticket to any person under nineteen years of age;

405.03H No Lottery Game Retailer, directly or indirectly, on behalf of itself, or another, nor any organization, shall invite, solicit, demand, offer or accept any payment, contribution, favor, or other consideration to influence the award, renewal, or retention of a contract or any addendum thereof;

405.03I A Lottery Game Retailer shall not accept SNAP or food coupons as consideration for a ticket;

405.03J The Lottery Game Retailer shall not make a fraudulent misrepresentation in connection with the application for a contract, in any of the required reports, or to any person in connection with a lottery transaction;

405.03K The Lottery Game Retailer shall maintain the sales levels set for the Lottery Game Retailer by the Division;

405.03L The Lottery Game Retailer shall take adequate security precautions for the safe storage and handling of tickets, lottery materials, or ticket sale proceeds;

405.03M The Lottery Game Retailer shall regularly, promptly, and accurately settle the accounts of lottery transactions and pay the amount due from the ticket sales;

405.03N The Lottery Game Retailer shall immediately notify the Division of any change in ownership;

405.03O The Lottery Game Retailer shall open its books and records for inspection by the Division;

405.03P The Lottery Game Retailer shall display required point of sale materials or advertising, and shall obtain permission for use of the Nebraska Lottery name or logo in the Lottery Game Retailer's own advertising, except as permitted in these regulations;

405.03Q Repealed.

405.03R No Lottery Game Retailer or his or her employee or agent shall attempt to determine the numbers or symbols appearing on unsold tickets or in any other manner attempt to determine unsold winning tickets; and

405.03S Lottery Game Retailers must give prompt service to lottery customers physically present and waiting at the on-line terminal to purchase tickets for on-line games. Prompt service includes interrupting processing of on-line ticket orders for which the customer is not present at the terminal.

405.03T The Lottery Game Retailer shall immediately report a violation of these regulations or a conviction of any felony or crime related to theft or gambling or involving moral turpitude.

405.03T(1) For the purposes of this subsection, a conviction shall be deemed to have occurred when the verdict of the court is announced, whether or not a sentence has been imposed.

(Sections 9-824, 9-825, 9-826, 9-827, 9-828, 9-829, and 9-832, R.R.S. 2012. December 16, 1998.)

REG-406 FINANCIAL SECURITY

406.01 Bonds. The Division shall determine if bonds will be required of Lottery Game Retailers. If a bond is required, each Lottery Game Retailer shall provide a bond in the amount determined by the Division to safeguard the State's interest in tickets to be sold by a Lottery Game Retailer and the resulting proceeds due the Division.

406.02 Lottery Game Retailer Liability. The Lottery Game Retailer is liable for all lottery tickets accepted by the Lottery Game Retailer. Tickets which are erroneous or mutilated when received by a Lottery Game Retailer may be immediately returned to the Division for credit. After acceptance, the Lottery Game Retailer is responsible for the condition and security of the tickets and for any losses resulting from tickets which become lost, stolen, or damaged.

406.03 Reserved.

406.04 Electronic funds transfers. A Lottery Game Retailer shall, before receiving a contract, authorize the debiting or crediting of an account in the Lottery Game Retailer's name for the purpose of electronic funds transfer to or from the state's collection account, as provided in these regulations.

406.04A The Lottery Game Retailer shall execute all forms required by the Division, the Lottery Game Retailer's bank or the initiating bank.

406.04B The Lottery Game Retailer shall be responsible for any fees or service charges assessed by the bank for maintaining the required account.

406.04C If the Lottery Game Retailer finds it necessary to change its bank account from one bank to another, he must submit a newly executed "Electronic Funds Transfer Authorization" form for the new bank account. The Lottery Game Retailer may not discontinue use of its previously approved bank account until notice is received from the Division that the new account is approved for use.

406.04D The Division shall establish a schedule for processing the EFT transactions against Lottery Game Retailer's lottery bank accounts and issue instructions to Lottery Game Retailers on how settlement of account will be made.

(Sections 9-813, 9-814, 9-826, and 9-830, R.R.S. 2012. December 16, 1998.)

REG-407 ACCOUNTING FOR INSTANT-WIN TICKETS

407.01 Purchase of instant-win tickets. Lottery Game Retailers shall receive packs of tickets directly from the Division or through its designated Lottery Contractor.

407.01A Lottery Game Retailers shall not transfer, exchange, or sell ticket packs or tickets with one another unless they are selling their business, going out of business or otherwise with prior written approval of the Division.

407.02 Liability for instant ticket packs. For each pack, Lottery Game Retailers shall be liable for the retail value, less the retailer compensation and the prizes validated and paid.

407.02A Lottery Game Retailers shall be liable for tickets via an electronic funds transfer (EFT) initiated by the Division after tickets are delivered to the Lottery Game Retailer in accordance with the schedule provided by the Division.

407.03 Ticket transfers. Ticket transfers to the Lottery Game Retailers are final.

407.03A Once tickets are accepted by the Lottery Game Retailer, the Division will not replace mutilated or damaged tickets, unless specifically authorized by the Division.

407.03B The Division will not accept returned tickets except as provided for elsewhere in these regulations or with the Division's advance approval.

407.03C The Lottery Game Retailer is responsible for lost, stolen, or destroyed tickets unless otherwise approved by the Division and is liable for the value of such tickets as provided by Reg-407.02.

407.04 Instant-win ticket returns. Any Lottery Game Retailer may return for credit, full, unopened ticket packs to the Division or its authorized representative at any time before the announced end of the return period.

407.04A Partial pack returns. No retailer may return opened partial packs of tickets to the Division or its agent for credit, except at the discretion of the Division. Partial pack returns are limited to one open pack return per game per cash register where tickets have been sold for that game.

407.04B Lottery Game Retailers shall attempt to sell all tickets to each game. If there are unsold tickets at the announced end of the game, they must be returned to the Division no later than twenty-eight (28) calendar days after the announced end of each instant-win ticket game or any final prize drawing unless otherwise authorized in writing by the Director.

407.04B(1) Credit will not be allowed to the Lottery Game Retailer for instant-win tickets not timely returned.

407.05 Lottery Game Retailers may break apart instant-win ticket packs to sell instant-win tickets.

407.06 Lottery Game Retailers shall not sell instant-win tickets for a specific game after the announced end of that instant game.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-408 ADVERTISING

408.01 Advertisements and promotion activities are a very important part of the public image of the Division. The participation in advertising and promotional activities by Lottery Game Retailers is essential to the success of the Division. Control of advertising and promotion to prevent false, misleading, or deceptive advertising or promotions is necessary to protect the public perception of honesty, fairness, and integrity of the Division.

408.01A Advertising or promotions shall not be of a nature to unduly influence any person to purchase a lottery ticket. Advertising may promote the opportunity available to win but will not promise nor imply that any person will win, or that any person who chooses not to participate has lost anything other than a chance to win.

408.01B Advertising or promotions shall not indicate that a person has a better chance of winning by purchasing a ticket at any specific location.

408.01C Advertising or promotions shall not include false, misleading or deceptive information about the Division or lottery games offered by the Division.

408.02 The Division will provide advertising and promotional materials at no cost to the Lottery Game Retailer.

408.03 The Division may provide logos, game-specific advertising slicks or camera-ready copy to be incorporated into other advertising of the Lottery Game Retailer.

408.04 No person, business or entity, including a Lottery Game Retailer shall advertise or include in any advertisement or other promotion the name of the Nebraska Lottery, the name of specific games of the Nebraska Lottery, or the logos of the Nebraska Lottery, except as specifically permitted or required by the Division.

408.04A The logo shall not be modified in any way, including a change in color, without the express written approval from the Division prior to the advertisement being used.

408.05 All lottery advertisements shall disclose the odds of winning the prize with the largest value for any lottery game in a clear and conspicuous manner. Such disclosure shall be in a font size of not less than thirty-five percent of the largest font used in the advertisement, except that for any online advertisement, such disclosure shall be in a font size of at least ten points.

(Section 9-827, 9-823 R.R.S. 2019. September 1, 2019.)

REG-409 SHARED EXPENSE AND OTHER CO-PROMOTIONAL ACTIVITIES

409.01 The Division may engage in shared expense and other co-promotional activities with private or public enterprises.

409.02 Shared expense and co-promotional activities include activities:

409.02A Involving private or public enterprises;

409.02B Utilizing donated prizes, goods or services, direct payments, or reduced fees;

409.02C Conducted in exchange for name recognition; and

409.02D Which are intended to increase ticket sales, increase public goodwill or reduce the costs or expenses of the Division.

409.03 Shared expense and co-promotional activity agreements may be entered into any time the Director, in his or her sole discretion, determines that it would be in the best interests of the Division to do so.

(Sections 9-823, 9-833, and 9-841 R.R.S. 2012. August 29, 1996.)

**REG-410 SALES OF NEBRASKA
LOTTERY TICKETS BY THE NEBRASKA LOTTERY**

410.01 The Division may engage in the sale and redemption of Nebraska Lottery tickets.

410.02 The Division shall adopt policies, procedures and forms for this activity.

(Section 9-825, R.R.S. 2012. October 23, 1997.)

REG-501 GENERAL

501.01 Types of games. The following are the types of games that may be conducted as a part of the Nebraska Lottery.

501.01A Instant-win Games; and

501.01B On-line Games.

501.02 Multi-jurisdictional lotteries. The Division may enter into written agreements with one or more government-authorized lotteries to participate in the conduct and operation of lottery games when necessary or desirable to make lottery games more remunerative for the State of Nebraska, except that no lottery game may be introduced in this state which is inconsistent with the intent and purpose of the Act or which violates the Act or these regulations.

501.03 Games prohibited.

501.03A No game shall use the theme of dog racing or horse racing;

501.03B No game shall use the results of any dog race, horserace, or other sports event;

501.03C The name of any elected official shall not appear on the tickets;

501.03D No video lottery is permitted; and

501.03E No vending machines can be used to purchase lottery tickets.

501.03E(1) A device able to securely store, display, and provide access to full packs of instant-win tickets to Lottery Game Retailers, which can only be accessed and operated by the Lottery Game Retailer, can be used for the storage, safeguarding, and dispensing of tickets.

501.04 Local taxes. Lottery games are exempt from any local or occupation tax levied or assessed by any political subdivision having the power to levy, assess, or collect such a tax.

501.05 Each ticket shall have a unique number distinguishing it from every other ticket in the same game.

501.06 Conduct of Games.

501.06A Lottery Game Retailers shall sell tickets at the price fixed by the Division. Lottery Game Retailers may not discount the sales price of game tickets.

501.06B All tickets sales shall be for cash, check, cashier's check, traveler's check, credit card, debit card, official gift certificate of the Division, official coupon of the Division, official coupon of the retailer or money order at the discretion of and in accordance with the Lottery Game Retailer's policy for accepting payment by such means for other products.

501.06B(1) Payment for a lottery ticket shall not be made with SNAP or food coupons.

501.06B(2) Any credit sale where the Lottery Game Retailer is extending the credit is prohibited.

501.06C Lottery Game Retailers may not accept any compensation for the sale of lottery tickets other than compensation approved under these regulations.

501.06D Tickets shall be sold during normal business hours, or the normal lottery operating hours, unless the Division approves otherwise.

501.06E Tickets shall only be sold at the location listed on the contract unless otherwise authorized by the Division.

501.07 Tickets shall not be sold to any of the following persons:

501.07A The Tax Commissioner, the Director, or any employee of the Division;

501.07B Any Lottery Contractor, any employee of the Lottery Contractor, any person with a substantial interest in the Lottery Contractor or any subcontractor of the lottery contractor or its employees which could affect the integrity or security of the Division as determined by the Director.

501.07C Any individual under nineteen (19) years old or to any individual for the benefit of an individual under nineteen years old.

501.07D Any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any person described in 501.07A or 501.07B.

501.07E No person described in 501.07A, 501.07B or 501.07D may purchase any ticket for or claim any prize for any lottery game offered by MUSL in any jurisdiction outside of Nebraska.

501.08 Additional Restrictions.

501.08A Distribution and sales of instant tickets shall not concentrate inventory in such a way that a mass purchase, beyond what might be considered reasonable consumer behavior, would pose a risk to the integrity and fairness of the game's distribution for public consumption or a risk of unfair prize redemption.

501.08B Draw game tickets shall not be produced or purchased in a manner intended to monopolize the sales network or overwhelm the odds of any game sold by the Nebraska Lottery, beyond what might be considered reasonable consumer behavior.

501.08C Prizes in instant ticket games and draw games, as well as any related contests or promotions, may be withheld by the Nebraska Lottery in the event of efforts to unfairly manipulate the retail supply of tickets to the detriment of other players, beyond what might be considered reasonable consumer behavior.

(Sections 9-810 and 9-823, R.R.S. 2012. December 16, 1998.)

REG-502 CONDITIONS OF PARTICIPATION.

502.01 Purchase or acceptance of a ticket.

502.01A Any person who buys or accepts a lottery ticket, or otherwise participates in the Nebraska Lottery, agrees to be bound by these regulations, Division Policies, Procedures, and the Rules and Procedures applicable to the particular lottery game for which the ticket was issued.

502.01B The person acknowledges that the determination of whether a ticket is a valid winning ticket is subject to these regulations, Division Policies, Game Rules, and Procedures, including claims procedures established for the game by the Division, and any confidential or public validation tests established by the Division for that game.

502.01C The person acknowledges that any disputes involving the Division will be resolved under Reg-503, Disputes.

502.01D All liability of the State of Nebraska, its officials, officers, and employees, and of the Department, the Director and employees of the Division, terminates upon payment of a lottery prize.

502.02 Sales final. All ticket sales are final, and no ticket returns may be accepted by a Lottery Game Retailer, except as provided for in these regulations, the Game Rules, or with the Division's specific approval.

502.03 Ticket bearer instrument. A ticket that has been legally issued by a Lottery Game Retailer is a bearer instrument until a name is signed or placed on the lottery ticket in the area designated.

502.03A When a name is placed in the designated area, the person whose name appears in that area is the owner of the ticket and is entitled to any prize attributable to that ticket, except as otherwise provided in these regulations. The Division will only make payment of a prize to the name on the ticket, notwithstanding any name submitted on the claim form.

502.03B Unless payment is otherwise delayed or denied in accordance with these regulations, the payment of any prize for an unsigned ticket will be made to the bearer of the winning ticket upon presentation of proper identification and, if the prize exceeds five hundred dollars (\$500), upon the fulfillment of all additional requirements as contained in these regulations.

502.04 Prize structure may vary. The actual number of prizes and prize structure may vary from that announced by the Division because of the omission of defective tickets in the manufacturing process, unsold tickets, the removal of tickets from inventory to perform the Division's quality control inspection procedures, ticket reorders, unclaimed prizes or other legitimate reasons.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-503 DISPUTES

503.01 Division decides disputes. The Division shall determine any disputes that arise regarding the operation of the Division, the validity of tickets, whether tickets have been sold, the payment of prizes, and if there is a dispute within the jurisdiction of the Division.

503.01A All decisions of the Division regarding ticket validation, determinations of winning tickets, or payment or awarding of prizes shall be final and binding upon all participants in the Nebraska Lottery.

503.01B The Division is neither liable for, nor has it any responsibility to resolve disputes between competing claimants or joint owners of prizes.

503.01C When a winning ticket has been presented to the Division, the Division shall not accept any claim that the ticket was stolen if the ticket is unsigned.

503.01D If multiple signatures appear on a winning ticket, ownership of the winning ticket will be determined by the Division in its sole discretion.

503.02 Erroneous or mutilated tickets. The Division is not liable for erroneous or mutilated tickets. The Division, at its option, may replace an erroneous or mutilated ticket with an unplayed ticket for the same or another game.

503.03 Stolen or lost tickets. The Division is not liable for lost, stolen, or destroyed tickets.

503.04 Misdelayed tickets. The Division is not liable for tickets not delivered to the correct address, for any delay in delivery of tickets, or for damage to tickets while being delivered.

503.05 Delay of payment. The Division may, at any time, delay payment in order to review a change in circumstances relative to the prize awarded, the payee, the claim, or any other matter that has been brought to the Division's attention, including but not limited to the following:

503.05A If a dispute occurs or it appears that a dispute may occur relative to any prize;

503.05B If there is any question regarding the identity of the claimant;

503.05C If there is any question regarding the validity of any ticket presented for payment; or

503.05D If the claim is subject to any set-off for delinquent debts owed to any agency eligible to receive a set-off that has registered the debt with the Department.

503.06 All delayed payments shall be brought up to date immediately upon the Division's determination. Delayed payments shall continue to be paid according to the original payment schedule after the decision is made.

503.06A No liability for interest for any such delay shall accrue to the benefit of the claimant pending payment of the claim.

503.07 Prizes paid once. No prizes shall be paid more than once. In the event the Division determines that more than one claimant is entitled to a prize, the sole right of each claimant is an award to each claimant of an equal share in the prize.

503.07A In the event of a difference or conflict in the name appearing on the ticket and the claim form, the name which appears on the ticket shall control.

503.08 Missed drawing. Any ticket holder who was entitled to entry in the drawing process, who met all the requirements for entry, including timely submission to the Division, but who was not entered in the drawing, may be entered into a subsequent equivalent drawing at the discretion of the Division.

503.09 Invalid tickets. The Division is not liable for any invalid tickets caused by improper printing or other defect in its manufacture, other than to replace the ticket with another ticket in the same game or in another game at the discretion of the Division.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-504 GAME RULES

504.01 For each game, the Division shall issue Game Rules which will contain specific details for each game including the following minimum information:

504.01A Identification of the game;

504.01B Ticket price;

504.01C Prize structure;

504.01D Any dates for entering drawings, or for claiming winning tickets; and

504.01E Any special rules for the game.

504.02 Prize structure. The prize structure for any game shall be designed to return to winners at least forty percent (40%) of gross sales. Prizes may be cash or noncash awards, including lottery tickets. Any designated prize percentage shall be deemed to include any unclaimed prizes. The prize structure shall include the following information:

504.02A The amount and number of prizes;

504.02B Any special payment arrangements for any of the prizes;

504.02C Approximate odds of winning any given prize;

504.02D Any jackpot, grand prize or drawings; and

504.02E Any prizes that may be carried over to another game.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-505 INSTANT-WIN TICKET GAMES

505.01 Development of instant games. The Division shall select, operate, and contract for the operation of instant-win ticket games which meet the general criteria set forth in these regulations.

505.02 Chances of winning. The Division shall publicize the overall odds or statistical probability of winning a prize in each instant game. The overall odds or statistical probability of winning must be printed on the ticket and be available at the Division's offices. Announced overall odds of winning and number of winners in a game may vary based on manufacturer's omissions, unsold tickets, reorders, unclaimed prizes and other legitimate reasons.

505.03 End of game. Each instant-win ticket game will end on a date announced in advance by the Division. The Division may suspend or terminate an instant-win ticket game without advance notice if it finds that this action will serve and protect the public interest.

505.03A No instant game tickets shall be sold after that game ends.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015).

REG-506 PLAYER INFORMATION

506.01 Any information provided by individuals or groups through participation in a lottery game, promotion, via communication with the Division's website or otherwise shall be deemed confidential and proprietary and may not be released by the Division to any person or entity except in accordance with this regulation.

506.02 The Division may compile and utilize player information it has gathered for the purpose of the promotion and administration of lottery games. The Division may release player information to the public and to lottery vendors for these purposes. The Division may release statistical information it has gathered on players so long as the statistical information does not identify individual players. The Division shall adopt a policy establishing guidelines for the release of statistical information.

506.03 This regulation shall not prevent the release of lottery game or promotion winner's information as separately described in these regulations.

(Section 9-823(12), R.R.S. 2012; Sections 84-712.05(3) and 84-712.05(8), R.R.S. 2014. August 10, 2000.)

REG-601 GENERAL

601.01 Winning tickets. Consistent with these regulations, criteria and specific rules for winning prizes shall be developed by the Division and made publicly available to any player upon request.

601.01A Lottery Prizes may consist of cash, non-cash, "free ticket" or other valuable prizes as determined by the Director.

601.02 Final validation and determination of prize-winning tickets remains with the Division.

601.03 Publicity with winners. The Division shall have the right to publicize and use the names of prize winners, the city, town, or county in which they live and the amount of prize they have won. Photographs of prize winners may also be used with the permission of the winners. No additional consideration shall be paid by the Division for this purpose.

601.03A The social security number, federal employer identification number or other federal identification numbers, phone number and street address of a winner of a lottery prize are considered to be confidential information and may not be released to the public without winner's permission. Demographic and other winner information gathered on claim forms, including household income, is for research purposes only and is considered confidential and may not be released to the public without the winner's permission. Nothing herein shall prevent the Division from compiling and releasing statistical information compiled from claim forms without winner's approval so long as the statistical information released could not be used to determine individual winner's confidential information.

601.03B If a player is awarded a prize of \$250,000 or more, the Division and its contractors may not disclose the identity of the player unless the player has provided written authorization.

601.04 Right to prize is not assignable. No right of any person to a prize shall be assignable or otherwise delegable; except that:

601.04A Judicial order. The prize to which a winner is entitled may be paid to another person pursuant to an appropriate judicial order.

601.04A(1) An appropriate judicial order does not include any order issued to enforce or approve an agreement between a prize winner and any third party where the prize winner has agreed to transfer future prize payments to a third party in exchange for consideration.

601.04B Death of prize winner. All prizes and portions thereof which remain unpaid at the time of a prize winner's death shall be payable to the prize winner's estate.

601.04B(1) The prize winner may complete and file with the Division a beneficiary designation for any prizes that are paid in installments. Upon the death of the prize winner, the remainder of the payments will be made according to the beneficiary designation.

601.04B(2) If the prize winner's estate has been closed, the prizes will be paid to the residual heir of the prize winner.

601.04B(3) The payment of any prize according to the beneficiary declaration filed with the Division, to the estate of the deceased in the absence of a declaration, or to the residual heirs of the deceased, if the estate is closed, shall absolve the Division of any further liability for the payment of any prize.

601.04C Prizes for minors. No prize shall be claimed by, redeemed from, or paid to any individual under nineteen (19) years of age. Tickets may not be purchased by, on behalf of, or given to an individual under nineteen years of age. For tickets properly owned by an individual under nineteen (19) years of age, such as through inheritance, if validated as winning tickets, all prizes shall be paid to the parent or guardian or custodian of such person under the Nebraska Uniform Transfers to Minors Act.

601.04C(1) If the minor is entitled to a prize of not more than five hundred dollars (\$500), the Division shall deliver to an adult member of the minor's family a warrant in the amount of the prize payable to the order of the minor.

601.04C(2) If the minor is entitled to a prize exceeding five hundred dollars (\$500), the Division shall deposit the amount of the prize in a custodial bank account, with an adult member of the minor's family or the minor's guardian serving as custodian for the minor.

601.04C(3) If the minor is entitled to a prize other than money, the Division shall pay the cash equivalent of such prize in the manner provided by the above subsections.

601.04C(4) If the minor is entitled to receive a prize that is payable in multiple payments, all payments due while the person is a minor shall be distributed according to this subsection, with any payments due after the age of majority being paid directly to the person.

601.04D Court determination. The Division may petition a court of competent jurisdiction to request a determination of the payee for payment of any prize winnings which are or may become due the estate of a deceased winner, a winner under a disability because of, but not limited to, minority, mental deficiency, or physical or mental incapacity or for any other reason determined by the Division.

601.05 Timing of payments not changed. The Division shall not accelerate the payment of a prize for any reason, including the death of the ticket holder except as otherwise provided in these regulations. The Division shall not delay the payment of a prize except as otherwise provided in these regulations.

601.06 Information reporting and withholding. The Division shall file the appropriate income tax reporting forms with the Internal Revenue Service and make the appropriate withholding for both state and federal income tax, and any other required setoffs.

601.07 Forged or altered tickets. Forging, altering, or fraudulently making any lottery ticket or knowingly presenting a forged, counterfeit or altered ticket for prize payment or transferring such ticket to another person to be presented for prize payment is a felony in accordance with the Act.

(Sections 9-810 and 9-823, R.R.S. 2024; Sections 84-712.05(3) and 84-712.05(8), R.R.S. 2014. October 7, 2015;)

REG-602 CLAIMS

602.01 Claim forms. Claim forms can be obtained from any office of the Division or at nelottery.com. Only official claim forms provided by the Division can be used. A claim form is required to obtain a prize in the following situations:

602.01A Any prize over \$500 claimed from any of the Division's claim centers.

602.01B The Division may require claim forms in any other situation.

602.02 Identification of winners. An individual shall provide his or her social security number if a claim form is required by these regulations.

602.03 A lottery prize claim shall be entered in the name of a person or in the name of a legal entity possessing a federal employer identification number (FEIN) issued by the Internal Revenue Service.

602.03A If the prize claimed exceeds five hundred dollars (\$500) and the claimant is a person, the claimant must provide his or her social security number or taxpayer identification number to the Division.

602.03B If the prize claimed exceeds five hundred dollars (\$500) and the claimant is a legal entity, the person who purchased the winning ticket must provide his or her social security number or taxpayer identification number to the Division. Unless the legal entity is an organization holding a certificate of exemption under Internal Revenue Code § 501c(3), the Division must also receive the social security numbers or taxpayer identification numbers of the following persons:

602.03B(1) If the legal entity is a corporation, the officers, directors, and shareholders;

602.03B(2) If the legal entity is a subsidiary, the officers, directors, and shareholders of the parent corporation;

602.03B(3) If the legal entity is a trust, the trustee, beneficiaries, and any other person entitled to receive income or benefit from the trust;

602.03B(4) If the legal entity is a partnership or joint venture, the general partners, and limited partners, or joint venturers;

602.03B(5) If the legal entity is an association, the members, officers, and directors;

602.03B(6) If the legal entity is a limited liability company, the members and managers; and

602.03B(7) Any other officer, director, official, shareholder, member, joint venture, manager, agent, employee, representative, or other person of or associated with the legal entity whom the Director determines is necessary for purposes of complying with Neb. Rev. Stat. § 9-810(5).

602.04 A claim may be entered in the name of an organization only if the organization is a legal entity and possesses a FEIN issued by the Internal Revenue Service.

602.04A If the Division, a Lottery Game Retailer, or these regulations require that a claim form be filed, the FEIN must be shown on the claim form.

602.04B A group, family unit, club, or other organization which is not a legal entity, or which does not possess a FEIN may file Internal Revenue Service Form 5754 "Statement by Person(s) Receiving Gambling Winnings," with the Division. The group, family unit, club or other organization must designate one individual in whose name the claim shall be entered, will be paid, and will have income tax withholding withdrawn from. Submission of the above IRS form attributes for tax purposes those to whom winnings and withholding are attributable.

602.04C A group, family unit, club, or other organization which is not a legal entity, or which does not possess a FEIN, and which does not file IRS Form 5754, shall designate one individual in whose name the claim shall be entered, and that person's social security number shall be furnished.

602.04C(1) If a claim is erroneously entered with multiple claimants, and the claimants fail to designate an individual recipient, or there is lack of agreement with the designation, the Division may designate one of the claimants as the sole recipient for the purpose of making payment.

602.04C(2) The claim shall then be considered as if it were originally entered in the name of the designated individual and payment of any prize won shall be made to that single individual.

602.04C(3) The payment of the prize to the designated individual shall relieve the Division of all liability for the payment of the prize.

602.04D If a claim is entered on behalf of a legal entity, group, family unit, club or other organization and a prize payment option is available, the claimant shall determine the sole method of prize payment for entire group.

602.05 Claim period. All winning instant-win game tickets must be received for payment as prescribed in these regulations within one hundred eighty (180) days after the announced end of the game, or of the drawing or event which caused the ticket to be a winning entry, whichever is later. All winning on-line game tickets must be claimed by submitting a prize claim to the Division within one hundred eighty (180) days after the drawing date.

602.05A For on-line games, the one hundred eighty (180) day period will not be prolonged even if the last day falls on a Saturday, Sunday, or legal holiday.

602.05B Tickets which have been mailed in an envelope bearing a United States Postal Service postmark on or before the last day will be deemed to have been submitted on time.

602.05C In accordance with the Servicemembers Civil Relief Act, 50 U.S.C. app. § 501 et seq., any person while in active military service may claim exemption from the one hundred eighty (180) day ticket redemption requirement. Such person, however, must claim his or her winning ticket or share as soon as practicable and in no event later than one hundred eighty (180) days after discharge from active military service.

602.06 Conditions of filing claim. The claimant by submitting a claim form agrees to the following provisions:

602.06A The discharge of Nebraska, the Department, its officials, officers and employees of all further liability upon payment of the prize;

602.06B The authorization to use the claimant's name, town of residence, and amount of prize for publicity purposes upon award of the prize;

602.06C If valid claim is not made for a prize payable directly by the lottery by the end of the period, the unclaimed prize money will be handled in the manner provided by these regulations.

602.06D A prize won by a person who purchased or received the winning ticket in violation of these regulations will be treated as an unclaimed prize under these regulations.

602.07 The Division reserves the right to require a claimant of a winning ticket to disclose the location or person from whom the claimant purchased the ticket.

602.08 For any lottery prize in excess of five hundred dollars (\$500), the Division may require the social security number of the purchaser of the winning ticket, even if the purchaser of the winning ticket is not the claimant.

602.09 For any lottery prize in excess of five hundred dollars (\$500), the Division may deny a claim when either the identity of the purchaser of the winning ticket or the chain of custody of the winning ticket has not been established to the satisfaction of the Director.

602.10 Unclaimed tickets. Any prize which has been won, but which is not claimed within one hundred eighty (180) days after the announced end of the game, shall be directed according to the discretion of the Director.

602.11 Signature on tickets. Unless otherwise provided for in the rules or procedures for a specific game, the claimant shall sign the ticket in the space provided on the ticket and complete and sign a claim form provided by the Division.

602.12 Void Tickets or Claims. Any ticket purchased or used to claim a prize in violation of Nebraska or federal law or purchased in noncompliance with the provisions of the State Lottery Act, these regulations, the game rules, or other rules or directives issued by the Director, Division, or Tax Commissioner shall be void and may not be used to claim any prize.

602.13 Prize Claim Options Final. If a prize winner is given an option regarding the method of prize payment, any payment method election becomes final and may not be revoked upon election by the prize winner. Prize winners are solely responsible for any tax consequences from their prize payment elections.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-603 VALIDATION

603.01 Validation of tickets. Winning tickets shall be validated by the retailer or the Division as set out in these regulations or in any other manner which the Division may determine.

603.02 Marking of tickets in any way is prohibited except by a player to claim a prize or by the Division or a Lottery Game Retailer to identify or void a ticket.

603.03 Ticket not returned. Once a ticket is validated, the ticket will not be returned to the winner.

603.04 Validation by Lottery Game Retailer. Before paying any prize, the Lottery Game Retailer, shall:

603.04A Inspect the ticket to assure that it conforms to each validation criterion listed in these regulations and to any additional criteria the Division may specify; and

603.04B Report to the Division the ticket number, validation code, and validation number of the ticket.

603.05 Validation of ticket. To be valid, a lottery ticket must meet all of the validation requirements listed here:

603.05A The ticket must have been issued by the Division in an authorized manner;

603.05B The ticket shall not be altered, unreadable, reconstructed, irregular or tampered with in any way;

603.05C The ticket shall not be counterfeit in whole or in part;

603.05D The ticket shall not have been stolen from the Division, a Lottery Contractor, or Lottery Game Retailer, or appear on any list of voids or omitted tickets on file with the Division;

603.05E The ticket shall be complete and not blank or partly blank, miscut, misregistered, defective, or printed or produced in error;

603.05F Instant-win tickets shall have exactly one play symbol and exactly one caption under each of the rub-off spots, exactly one ticket number, exactly one validation code, and exactly one validation number. These items shall be present in their entirety, fully legible, right-side up, and not reversed in any manner;

603.05G Each of the symbols must be printed in the appropriate size and font and correspond exactly to the artwork on file at the Division.

603.05H Each of the play symbols on an instant-win ticket must have the caption underneath, and the caption must agree with symbol.

603.05I The validation number of an apparent winning ticket shall appear on the Division's official file of validation numbers of winning tickets provided by the applicable Lottery Contractor . A ticket with that validation number shall not have previously been paid.

603.05J With regard to on-line games, the ticket data must be:

603.05J(1) Recorded in the central computer system prior to the drawing;

603.05J(2) In agreement with the computer record data in every respect; and

603.05J(3) In the Division's official file of winning tickets and has not been previously paid.

603.05K The ticket shall pass all additional confidential validation, and security requirements set by the Division.

603.05L A ticket shall be the only valid receipt for claiming a prize. A lottery prize may not be paid without the presentation of a winning ticket. A copy of a ticket or play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

603.05M The ticket must be issued, played, redeemed and otherwise be in compliance with all provisions of state and federal law, these regulations, and all applicable game rules and procedures.

603.06 Invalid tickets. A ticket which does not pass all the validation requirements listed in this regulation and any validation requirements contained in the procedure for its game is invalid. An invalid ticket is not eligible for any prize.

603.06A The Division may replace an invalid ticket with an unplayed ticket from the same or another game. If a defective ticket is purchased, the Division's only liability or responsibility shall be to replace the defective ticket with an unplayed ticket from the same or another game or to refund the purchase price, at the Division's option.

603.07 Mutilated or damaged tickets. If a ticket is partially mutilated or if the ticket is not intact but can still be validated by other validation tests, the Division may pay the prize for that ticket.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-604 PAYMENTS

604.01 Lottery Game Retailers. Lottery Game Retailers are required to make payments of prizes of five hundred (\$500) or less for any winning ticket. Lottery Game Retailers are prohibited from paying any prize exceeding five hundred dollars (\$500).

604.02 Retailers Prize Payment Procedures.

604.02A Before paying a prize claim, the Lottery Game Retailer shall validate the winning ticket.

604.02A(1) Lottery Game Retailers who pay prizes without validating the ticket do so at their own financial risk. The Division shall not reimburse Lottery Game Retailers for prize claims paid in error.

604.02B If the Lottery Game Retailer is unable to validate a winning ticket, the retailer shall provide the ticket holder with a Division claim form and instruct the ticket holder on how to file a claim with the Division.

604.02C After a winning ticket is validated, the Lottery Game Retailer shall physically void the ticket to prevent it from being redeemed more than once. The manner of voiding the ticket will be prescribed by the Division.

604.02D Lottery Game Retailers may pay cash prizes in cash, by certified check, cashier's check, business check, or money order, or by any combination of these methods.

604.02D(1) If payment of a prize by a check presented to a claimant by a Lottery Game Retailer is denied for any reason, the Lottery Game Retailer is subject to the same service charges, interest, and penalty provisions that would apply if the check were made payable to the Division.

604.02D(2) A claimant whose prize check is denied shall notify the Division to obtain the prize.

604.02E Lottery Game Retailers shall pay claims for five hundred dollars (\$500) or less during all normal business hours, unless otherwise directed by the Division.

604.02F Prize claims shall be paid only at the location specified in the agreement.

604.02G Lottery Game Retailers shall redeem "free ticket" prizes or coupons as indicated in the rules of the game or promotion.

604.03 The Division shall reimburse a Lottery Game Retailer for prizes paid within one hundred eighty (180) days after a game ends.

604.04 A Lottery Game Retailer shall pay prizes up to an amount not in excess of five hundred dollars (\$500) won on tickets validated and determined by the Division to be official prize winners, regardless of where the tickets were sold.

604.05 Payment delays. The Division may refrain from making payment of the prize under Reg-503, Disputes.

604.06 Payment of prizes. The Division shall validate the winning ticket claim according to the procedures contained in these regulations.

604.06A If the claim is not valid, the Division shall notify the ticket holder promptly.

604.06B If the claim is mailed to the Division, a warrant for the prize amount, or the amount required to be paid, shall be mailed to the winner.

604.06C If the claim is presented in person, a warrant for the prize amount less applicable setoffs may be presented to the bearer.

604.07 No prize shall be paid unless the ticket and the claim form, if required, are properly completed and all required information is provided.

604.08 Payment by Division. The Division may pay prizes whenever the Lottery Game Retailer is unable to validate a claim, the prize exceeds five hundred dollars (\$500), or whenever a claim is filed with the Division. The Division shall establish policies for paying prizes including "free ticket" prizes.

604.09 One prize per ticket. The Division may specify on the ticket or within the rules or procedures for a game that a ticket will only receive one prize. Any lottery ticket bearing the words "only one prize per ticket" shall entitle the ticket holder only to the largest of any prizes won by virtue of ownership of such ticket.

604.09A Any smaller prize that has been paid prior to the awarding of a larger prize, shall be deducted from the larger prize before the larger prize is paid.

604.10 Payments in installments. Any cash prize of more than one hundred thousand dollars, (\$100,000), may be paid in multiple payments over time. The schedule of payments shall be designed to pay the winner equal dollar amounts in each year, with the exception of the first year, until the total payments equal the prize amount less

applicable setoffs. Except as provided in the specific game rules or procedures, no schedule of payments shall exceed twenty (20) years, nor shall the payments be less than fifty thousand dollars (\$50,000) a year.

604.10A Unless the rules or procedures for any specific game provide otherwise, when a prize or share is to be paid in installments, the Division may round the actual amount of the prize or share to be paid in the subsequent years to the nearest \$1,000 to facilitate purchase of an appropriate funding mechanism. The first payment shall be determined by subtracting the amount of the subsequent payments from the total prize.

604.10B If a specific game provides for split prizes or subsequent to appropriate judicial order requiring split payment of prizes, when prizes are split and more than one person is receiving payment of the prize, each payment that would have been received by a single winner may be split, or the period of time over which payments will be made, may be reduced to facilitate the purchase of an appropriate funding mechanism.

604.10B(1) The Division may determine the amounts payable in any year by using the total amount of the prize to be paid, rather than the amounts of the shares of the prize.

604.10C Except as otherwise indicated in a specific game's rules, if a prize is advertised as payable for the life of the winner, only an individual may claim the prize. If a claim is filed on behalf of a group, company, corporation, or any other type of organization, the life of the claim shall be as indicated in these regulations or as established in the game rules.

604.11 If the Division decides to pay all or a part of a prize in the form of installments over a period of years, the Division shall provide for the payment of all installments by a method established in these regulations, as set out in the game rules or as otherwise determined by the Director:

604.12 Interest is not due on payments made in subsequent years. The total payments made shall total the face amount of the prize less applicable setoffs.

604.13 Setoffs when a Legal Entity is a Lottery Prize Claimant. If a legal entity claims a lottery prize under Reg-602.03, and any person for whom social security numbers or taxpayer identification numbers are required pursuant to Reg-602.03B(1) through 602.03B(7) is identified as having an outstanding state tax liability or as owing a debt as defined in Neb. Rev. Stat. § 77-27,161, or under the Gambling Winnings Setoff for Outstanding Debt Act, the Division will credit the lottery prize against such tax liability or debt in the manner prescribed by Neb. Rev. Stat. § 9-810(5) and the Gambling Winnings Setoff for Outstanding Debt Act.

604.13A If the person who purchased the winning ticket (the purchaser) is identified as having such tax liability or debt, the Division will credit the lottery prize against such tax liability or debt in the manner prescribed by Neb. Rev. Stat. § 9-810(5) or under the Gambling Winnings Setoff for Outstanding Debt Act, unless the purchaser has donated the winning ticket to the legal entity, does not retain any share or claim to the lottery prize, and would not otherwise be required to provide a social security number or taxpayer identification number to the Division pursuant to Reg-602.03B(1) through 602.03B(7).

604.13B If more than one person is identified as having such liability or debt, the Division will credit the lottery prize against such liabilities or debts in its sole discretion.

604.14 Setoffs for Non-Cash Lottery Prizes. If a winner of a non-cash lottery prize in excess of five hundred dollars (\$500) in value is identified as having an outstanding state tax liability or as owing a debt as defined in Neb. Rev. Stat. § 77-27,161, or under the Gambling Winnings Setoff for Outstanding Debt Act, then, except as provided in Reg-604.14B, the Division will credit the value of the non-cash prize against the value of the state tax liability, ~~or~~ certified debt, or the debts outlined in the Gambling Winnings Setoff for Outstanding Debt Act. The balance of the value of the non-cash prize if any, less the withholding of any applicable state or federal tax, will then be paid to the winner and the non-cash prize will be forfeited.

604.14A The value of the non-cash lottery prize will be determined by the Division in its sole discretion, which amount will not be subject to appeal by the prize winner. In determining the value of the non-cash prize, the Division shall not include the value of any state or federal tax that would have been remitted on behalf of the winner in conjunction with the non-cash prize.

604.14B If, within five (5) business days of the date of presenting the claim to the Division, the winner pays the full amount of the state tax liability or certified debt, and evidence of such payment is established to the satisfaction of the Division, the winner will receive the non-cash lottery prize.

604.14C The winner of the non-cash lottery prize may waive the right to pay the tax liability or certified debt within five (5) business days as established in 604.14B.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-605 GRAND PRIZES

605.01 Grand Prize Events. Any instant-win ticket game may include a grand prize or jackpot event. The game rules or procedures will include the amount of the prize or prizes, or the manner in which the amount of the prizes will be determined, the qualification criteria for participation in the grand prize or jackpot, and the manner of determining the winner.

605.02 Special drawings. The Division may establish special drawings, promotional prize drawings, bonuses, or additional prizes either independently of or concurrently with the operation of the Division.

605.02A The nature and number of prizes will be determined by the Division.

605.02B The drawing for promotional prizes may be held independently of the regular grand prize or jackpot drawings or may be incorporated with those drawings.

605.02C Guidelines for the conduct of special drawings, promotional prize drawings, bonuses, or additional prizes shall be established by the Division prior to the drawing date.

605.03 Conduct of drawings. The following guidelines will be used in the conduct of drawings for grand prizes and jackpot drawings.

605.03A Entrants in the event shall be selected from tickets which meet the criteria stated in specific game rules or procedures.

605.03A(1) If, after the event is held, the Division determines that a ticket should have been entered into the event, the Division may place that ticket into a drawing for the next equivalent game or drawing. The opportunity for a drawing in the future game is the extent of the Division's liability and the ticket holder's only remedy for the omission.

605.03B Participation in the drawings shall be limited to those tickets which are actually received and validated by the Division on or before the date announced by the Division.

605.03C The Division shall determine the dates, times, and procedures for selecting grand prize or jackpot winners for each drawing.

605.03C(1) The proceedings for selection of the winners shall be open to members of the news media and to either the general public or entrants or both.

605.03C(2) The proceedings shall be witnessed by an independent certified public accountant. The equipment shall be inspected by the independent certified public accountant and an employee or agent of the Division both before and after the drawing.

605.03C(3) The independent certified public accountant shall have received their certificate from the Nebraska Board of Accountancy.

605.03C(4) The proceedings shall be recorded with an audio track and may be broadcast as determined by the Division.

605.04 The Division may postpone any drawing to a certain date and publicize the postponement if it determines that the postponement will serve and protect the public interest.

605.05 Any finalist in a drawing who intentionally or unintentionally touches or otherwise interferes with any drawing equipment shall receive only the smallest prize available in the drawing if all participants in the drawing receive a prize. If some participants will not receive a prize, the finalist who interferes will not receive any prize.

605.05A Any direct or indirect action which is initiated by the finalist and which in any manner alters or affects the natural functioning of the drawing equipment shall constitute interference.

605.06 Drawings in an instant-win game, other than grand prize or run-off drawings shall not be held more frequently than once a week.

605.07 On-line drawings shall be conducted according to the specific on-line game rules and procedures.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

CHAPTER 700-POWERBALL

REG-701 GAME DESCRIPTION

701.01 General. Powerball is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) numbers lottery game drawn every Monday, Wednesday and Saturday as part of the Powerball Drawing, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annuitized parimutuel basis or as a cash lump sum payment of the total cash held for this prize pool on a parimutuel basis. Except as provided in these regulations, all other prizes are paid on a single payment basis. Powerball Winning Numbers applicable to determine Powerball prizes will be determined in the Powerball Drawing. During the Drawing, five (5) numbers shall be drawn from the first set of sixty-nine (69) numbers, and one (1) number shall be drawn from the second set of twenty-six (26) numbers, which shall constitute the Winning Numbers. Double Play winning numbers shall not be used to determine Powerball prizes. Powerball winning numbers shall not be used to determine Double Play prizes.

To play Powerball, a player shall select (or computer pick) five (5) different numbers, between one (1) and sixty-nine (69) and one (1) additional number from one (1) through twenty-six (26). The additional number may be the same as one of the first five numbers selected by the player.

Powerball tickets ~~shall~~ can be purchased for two dollars (\$2), including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a PB Play. PB Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules.

701.02 Claims. Unless otherwise permitted by a selling lottery, a ticket (subject to the validation requirements set forth in Reg-705 (Play Validation)) or properly registered ticketless transaction shall be the only proof of a game play or plays and the submission of a winning ticket to the issuing selling lottery or its authorized Lottery Game Retailer shall be the sole method of claiming a prize or prizes. A play slip, paper receipt or printed summation of a Play printed by a terminal which is not a ticket has no pecuniary or prize value and shall not constitute evidence of a Play purchase or of numbers selected.

701.03 Cancellations Prohibited. In all instances, a Play recorded on the computer gaming system (CGS) ~~A~~ may not be voided or canceled by returning the ticket or ticketless transaction to the selling Lottery Game Retailer or to the Division, including tickets that are misprinted, illegible, printed in error, or for any reason not successfully transferred to an authorized selling entity or player. No Powerball ticket that can be used to claim a prize shall be returned to the Division for credit. Powerball tickets accepted by Lottery Game Retailers as returned tickets will remain charged to the Lottery Game Retailer's account. Ownership of the tickets is in bearer form until the ticket is signed on the reverse side. Lottery Game Retailers who accept unsigned Powerball tickets as returned tickets and who cannot re-sell those tickets shall be deemed the owners of those tickets.

701.04 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 or contained in a ticketless transaction. The placing of plays is done at the player's own risk through the on-line Lottery Game Retailer who is acting on behalf of the player in entering the play or plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

701.05 Entry of Plays. Plays may only be entered as approved by the Division. A Lottery Game Retailer shall not permit the use of play slips that are not approved by the Division. Lottery Game Retailers shall not permit any device to enter plays, except as approved by the Division.

701.06 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.

701.06A The Director shall determine the time for the end of sales prior to the drawings. On-line terminals shall not process on-line tickets for that drawing after the time established by the Director.

701.06B The Product Group and Division 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.

701.07 Request for Plays. A lottery may conduct future sales through a subscription or other system that does not immediately record such sales on the CGS. A "Request for Play" is a sale that is not immediately recorded on the CGS, but is instead recorded onto the CGS at some future time prior to a draw event. At the sole discretion of the lottery, authorized sales through a subscription or other system which have not been recorded on the CGS (instead recorded as "Request for Plays"), may be cancelled at any time prior to the time the Request for Play is recorded as a Play on the CGS. If a Request for Play is cancelled, it shall not be recorded on the CGS. Once a Play is recorded on the CGS, it may not be cancelled at any time. Any cancelled "Request for Play" shall not be included in sales data report to MUSL. Examples of instances when Selling Lotteries may desire to permit cancellation of subscription "Request for Plays" include game matrix changes, price changes, modifications of game features, players who enroll in self-exclusion programs, and other instances as may be determined by the Selling Lottery.

701.08 Returned Plays. To promote good Player or Retailer relations, a Selling Lottery, at its sole discretion, may develop a method of compensating Players or Retailers for Plays accepted by the Selling Lottery as returned to the Selling Lottery ("Returned Plays") that are misprinted, illegible, printed in error, future Plays affected by changes in game features by the Selling Lottery or due to game cancellations. Returned Plays may not be cancelled or voided. Returned Plays are not reported to MUSL. The Selling Lottery Must remit its required prize pool contributions on all Plays accepted as returned Plays by the Selling Lottery. Returned Plays may not be claimed for a prize by any person or entity, including the Selling Lottery. Any prizes which would have been won on a Returned Play shall become an unclaimed prize at the end of the prize claim period.

701.08 Incomplete Transaction Plays. Incomplete Transaction Plays occur when a Retailer begins a Play transaction as requested by a Player, and the Play is registered on the CGS, but the transaction is terminated prior to transferring Play confirmation to the Player, there is no attempt to print the Play on a ticket, and the Player has not paid for the Play. Transaction terminations may be due to time sensitivities, communications loss or other issues as accepted by the Selling Lottery. A Selling Lottery, at its sole discretion, may develop an approved method of managing Incomplete Transaction Plays, subject to these provisions. Incomplete Transaction Plays may not be cancelled or voided. The Selling Lottery must remit its required prize pool contributions on any Incomplete Transaction Plays. At its sole discretion, the Selling Lottery may develop a method of compensation Retailers for Incomplete Transaction Plays if Retailers are required to reimburse Selling Lotteries for prize pool contributions. Incomplete Transaction Plays may not be claimed for a prize by any person or entity including the Retailer. Any prize which cannot be claimed as a prize under this Rule but would otherwise have been won on an Incomplete Transaction Play shall become an unclaimed prize at the end of the prize claim period of the drawing for which the Incomplete Transaction Play was recorded. Incomplete Transaction Plays are not reported to MUSL.

701.09 Stolen Plays. Plays reported as stolen from a Retailer that have been recovered cannot be accepted by the Selling Lottery as Returned Plays. Selling Lotteries may compensate a Retailer for the loss from theft if a Selling Lottery, solely at its discretion, determines to assume such a loss, but Stolen Plays cannot be cancelled or voided. Ownership of Stolen Plays, and whether any party has a right to claim prizes on Stolen Plays, shall be determined by the rules of the Selling Lottery.

701.10 Game Cancellation. In the event of cancellation of the Game by the Product Group prior to the occurrence of all drawings for which Plays have been sold and recorded on the CGS, the Selling Lottery may provide a refund mechanism for such Plays to the Players, and the Selling Lottery shall not be required to remit its prize pool contributions for any such refunded Plays.

701.11 Selling Lotteries Prohibited from Claiming Prizes. Selling Lotteries and lottery officials are prohibited from claiming any prizes on Plays that are owned by the Selling Lottery through "Returned Plays" or otherwise acquired and held by the Selling Lottery. Any prizes that would otherwise be won on Plays owned or acquired by Selling Lotteries shall become unclaimed prizes at the end of the prize claim period.

701.12 Registration of Plays. Ticketless transaction Plays may be registered with the Selling Lottery in a manner that meets the requirements established by the Product Group, the Selling Lottery, and the MUSL Rules.

701.13 Maximum Purchase. Except for a ticketless transaction Play purchase when the lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change, the maximum number of consecutive Drawings on a single Play purchase is thirty-six (36). The maximum number of consecutive Drawings encompassed by a ticketless transaction Play purchase when the lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change is one hundred fifty-six (156). The maximum number of Drawing purchases may be further limited by the Selling Lottery Director.

701.14 Matrix Changes. In the event of a matrix change, the Selling Lottery that issued the ticketless transaction will determine the option(s) available to ticketless transaction purchasers from that Selling Lottery for the balance of Plays remaining on their ticketless transactions effective as of the date of the matrix change.

701.15 Emergency Rule-making Authority. Pursuant to the Product Group's fiduciary duties, it may become necessary for the Product Group to adopt rule changes or modifications to protect the integrity of the game in response to an imminent crisis or emergency. Such rule changes or modifications shall take into effect immediately, or otherwise as indicated by the Product Group, without prior notification to players or the public.

(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-702 POWERBALL PRIZE POOL

702.01 Prize Pool. The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's Powerball sales, inclusive of any specific statutorily mandated tax of a selling lottery to be included in the price of a PB Play, and including contributions to the prize pool accounts and prize reserve accounts; prize pool contribution requirements shall be based on the sales price for Plays as established by the Group, not on the amount collected by the Selling Lottery after deducting for statutorily mandated taxes.

702.02 Powerball Prize Pool Accounts and Prize Reserve Accounts.

The Product Group shall set the contribution rates to the prize pool and to one or more prize reserve or pool accounts established by this rule.

702.02A The following prize reserve accounts for the Powerball game are hereby established:

702.02A(1) 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

702.02A(2) the Set Prize Reserve Account (SPRA), which is used to fund deficiencies in low-tier Powerball prize payments (subject to the limitations of these regulations).

702.02B The following prize pool accounts for the Powerball game are hereby established:

702.02B(1) the Grand Prize Pool (GPP), which is used to fund the current Grand Prize;

702.02B(2) the Set Prize Pool (SPP), which is used to fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability;

702.02B(3) the Set-Aside Pool (SAP), which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and minimum annuity Grand Prize increase, if necessary (subject to the limitations in these regulations), as may be set by the Product Group; and

702.02B(4) the Grand Prize Carry Forward Pool (GPCFP), which is used to fund the starting minimum annuity Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not fund the Grand Prize.

702.02C The above prize reserve accounts, the GPCFP and the SAP shall have maximum balance amounts or balance limiter triggers that are set by the Product Group.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

702.02D The maximum contribution rate to the GPP shall be 68.0131% of the prize pool (34.0066% of sales) except as provided in Rule 30.7(d).

An amount up to five percent (5%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in one or more prize pool accounts and prize reserve accounts held by the Product Group (hereinafter the "prize pool and reserve deduction") at any time that the prize pool accounts and Party Lottery's share of the prize reserve accounts(s) is below the amounts designated by the Product Group.

An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in the GPCFP to be held by the Product Group at a time as determined by the Product Group.

702.02E The Product Group may determine to expend all or a portion of the funds in the Powerball prize pool accounts (except the Grand Prize Pool account and the GPCFP) and the prize reserve accounts:

702.02E(1) for the purpose of indemnifying the Party Lotteries and Licensee Lotteries in the payment of prizes to be made by the Selling Lotteries; and

702.02E(2) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

The GPCFP may only be expended to fund the starting minimum annuity Grand Prize.

702.02F The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

702.02G A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from the reserve account, a Party Lottery is responsible for its full sales percentage share of the account, whether or not it has been paid in full.

702.02H Any amount remaining in the Powerball prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

702.03 Expected Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise mandated by jurisdiction statute or judicial requirements, all other Powerball prizes awarded shall be paid as single payment prizes. All prize payouts are made with the following expected prize payout percentages, although the prize payout percentage per draw may vary:

Number of Matches Per Play	Prize Payment	Prize Pool % Allocated to Prize
All (5) of first set Plus (1) of second set	Grand Prize	68.0131%*
All (5) of first set & none of second set	\$1,000,000	8.5558%
Any (4) of first set Plus (1) of second set	\$50,000	5.4757%
Any (4) of first set & none of second set	\$100	0.2738%
Any (3) of first set Plus (1) of second set	\$100	0.6899%
Any (3) of first set & none of second set	\$7	1.2074%
Any (2) of first set Plus (1) of second set	\$7	0.9981%
Any (1) of first set Plus (1) of second set	\$4	4.3489%
None of first set Plus (1) of second set	\$4	10.4373%

* The maximum contribution rate may include contributions to reserves and pools as described in these regulations.

702.03A Prize money allocated to the Grand Prize category shall be divided equally by the number of plays winning the Grand Prize.

702.03B Powerball Set Prize Pool Carried Forward. For Party Lotteries, the Powerball SPP (for cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Powerball Set Prizes awarded in the current draw.

702.03C Pari-Mutuel Powerball Prize Determinations. Except as provided for in 702.03C(3), for Party Lotteries:

702.03C(1) If the total of the Powerball Set Prizes (as multiplied by the respective Power Play multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Powerball Set Prizes, then the amount needed to fund the Powerball Set Prize, including Power Play prizes, awarded shall be drawn from the following sources, in the following order:

702.03C(1)(i) the amount available in the SPP and the Power Play Prize Pool, if any;

702.03C(1)(ii) an amount from the SPRA, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing; and

702.03C(1)(iii) other amounts as agreed to by the Product Group in their sole discretion.

702.03C(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded, including Power Play prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest

Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels.

702.03C(3) By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their Set Prize pari-mutuel prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently calculated prize amounts.

(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-703 PROBABILITY OF WINNING

703.01 Probability of Winning Powerball Prizes. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category, based upon the total number of possible combinations in Powerball. The Set Prize Amount shall be the prizes set for all Selling Lotteries unless prohibited or limited by a jurisdiction's statute or judicial requirements.

Probable/ # of Matches Per Ticket	Probability Winners	Distribution Probability	Set Prize Amt.
All (5) of first set Plus (1) of 2 nd set	1	1 : 292,201,338	Grand Prize
All (5) of first set & none of 2 nd set	25	1 : 11,688,053.5200	\$1,000,000
Any (4) of first set Plus (1) of 2 nd set	320	1 : 913,129.1813	\$50,000
Any (4) of first Set & none of 2 nd set	8,000	1 : 36,525.1673	\$100
Any (3) of first Set plus (1) of 2 nd set	20,160	1 : 14,494.1140	\$100
Any (3) of first Set & none of 2 nd set	504,000	1 : 579.7646	\$7
Any (2) of first Set plus (1) of 2 nd set	416,640	1 : 701.3281	\$7
Any (1) of first Set plus (1) of 2 nd set	3,176,880	1 : 91.9775	\$4
None of first Set plus (1) of 2 nd set	7,624,512	1 : 38.3239	\$4
Overall	11,750,538	1 : 24.8671	

(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-704 POWERBALL PRIZE PAYMENT

704.01 Powerball Grand Prizes. Powerball Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player is entitled to the prize, with either a per winner annuity or single lump sum payment (which may be referred to as the "cash option"). If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize

shall be paid as an annuity prize. 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 option payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize. The election to take the cash option payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.

The Powerball Grand Prize available in the GPP shall be determined by dividing the funds available in the GPP on a pari-mutuel basis among all winning PB Plays of the Powerball Grand Prize as described in these Rules.

Winner(s) who elect a cash option payment shall be paid their share(s) in a single lump sum payment. The annuitized option prize shall be determined by multiplying a winner's share of the Powerball Grand Prize pool by a process as approved by the MUSL Board.

Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.

In certain instances announced by the Product Group, the Powerball Grand Prize shall be a guaranteed amount and shall be determined pursuant to Rule 30.5.

If individual shares of the GPP funds held to fund an annuity is less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of the funds held in the GPP.

All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in a single payment ~~cash~~, to be followed by twenty-nine payments funded by the annuity. Except as may be controlled by the State Lottery Act, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate as determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000). Annual payments after the initial payment shall be made by the Division on the anniversary date or if such date falls on a non-business day, then the first business day following the anniversary date of the selection of the Grand Prize Winning Numbers.

Funds for the initial payment of an annuitized prize shall be made available by MUSL for payment by the selling lottery ~~by~~ no earlier than the fifteenth calendar day 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 selling lotteries. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.

In the event of the death of a lottery winner during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the state in which the deceased lottery winner purchased the winning PB Play, and subject to federal, state, or district applicable law, may accelerate the payment of all the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee or the Product Group.

704.01A Powerball Grand Prize winners who first became entitled to their Grand Prizes prior to October 21, 1998, and who are still receiving payment of their prize via annual payment, may elect to redeem their Grand Prize annual payments for a single lump sum payment.

704.01B Grand Prize winners who elect to redeem their Grand Prizes for a single lump sum payment will receive the proceeds from the sale of securities held by the Product Group. Upon request of the Grand Prize winner and the Division, the Product Group shall specify which securities would be sold in redemption of the Grand Prize winners' Grand Prize.

704.01C Grand Prize winners interested in making the above election must submit a written request to the Director. The written request must indicate a securities purchaser selected by the Grand Prize winner, a sale date for the securities, and a financial institution account where the proceeds from the sale of securities is to be transferred. Grand Prize Winners making this election must sign a release form designed by the Division releasing the Product Group, MUSL, the Division, the State of Nebraska, and any and all employees and officers of those entities from any liabilities arising from exercise of the Grand Prize winner's election.

704.01D The Product Group shall sell the securities to the purchaser indicated by the Grand Prize winner on the date the Grand Prize winner indicated. The Product Group shall transfer the amount received from the sale to the State of Nebraska. The State of Nebraska shall transfer the amount received from the ~~MUSL Powerball~~ Product Group, less applicable withholding tax and setoff amounts, to the Grand Prize winner's indicated financial institution account.

704.01E Players must make this election by December 31, 2000. Players not making this election prior to December 31, 2000, will continue to receive their Grand Prize via annual payment according to the original terms of their Grand Prize.

704.02 First Prize for Double Play. The Double Play First Prize is a fixed, non-annuitized value of \$10 million for each Double Play Drawing.

If, in any Double Play drawing there are no DP Plays that qualify for the first Prize category, the portion of the prize fund allocated to such First Prize category shall remain in the First Prize pool for the next Double Play drawing.

Funds for the payment of a First Prize shall be made available by MUSL for payment by the Selling Lottery on a schedule approved by the Product Group. If necessary, when the due date for the payment of a First Prize occurs before the receipt of funds in the FPP trust sufficient to pay the prize, the transfer of funds for the payment of the First Prize may be delayed pending receipt of funds from the Selling Lotteries participating in the Double Play Promotion. A Selling Lottery may elect to make the First Prize payment from its own funds after validation, with notice to MUSL.

704.03 Set Prize and Process for Prize Payments. A selling lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office. If a selling lottery, due to jurisdictional law requirements, separately determines its low-tier cash prize amounts, it shall be solely responsible for its low-tier cash prize liability and may begin paying low-tier cash prizes after a drawing when it determines appropriate to do so. All prizes (whether described as "cash" payment prizes or otherwise) shall be paid through the Selling Lottery that sold the winning Play(s) and at the discretion of the Selling Lottery that sold the winning Play(s) may be paid by cash, check, warrant or electronic transfer.

704.04 Powerball Prizes Rounded. Annuitized payments of the Powerball Grand Prize or a share of the Powerball Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Powerball Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes, other than the Powerball Grand Prize, which, under these regulations, may become single payment, parimutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Except with regards to low-tier cash prizes paid by a selling lottery which separately determines its low-tier cash prize amounts pursuant to Product Group Rule 30.23, breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

704.05 Powerball Rollover. If the Powerball Grand Prize is not won in a drawing, the prize money allocated for the Grand Prize shall roll over and be added to the GPP for the following drawing.

704.06 Funding of Guaranteed Powerball Prizes.

704.06A The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game.

704.06B If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:

704.06B(1) If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of Grand Prize winning PB plays;

704.06B(2) If there are multiple Grand Prize winners during a single drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the MUSL Annuity Factor shall be utilized to determine the cash pool. The cost of the annuitized prize(s) will be determined at the time the annuity is purchased through a process as approved by the MUSL Board;

704.06B(3) If no winner of the Grand prize during a single drawing has elected the annuitized option prize, then the amount of cash in the GPP shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor.

704.06C Minimum guaranteed prizes or increases may be waived if the alternate funding mechanism set out in Reg. 702.03C becomes necessary. Approval of the Group is required to change the guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount. The Group may increase, decrease or eliminate the guaranteed minimum Grand Prize amount of any announced minimum Grand Prize increases effective at any time following the next drawing following the action taken by the Group.

704.06D Funding of Guaranteed Grand Prizes. If the amount in the GPP, GPCFP and SAP and contributions from Licensee Lotteries who are not participating in the PRA are insufficient to fund the amount required by awarded Guaranteed Grand Prize(s), then the PRA, and thereafter contributions from individual Member Lotteries and Licensee Lotteries participating in the PRA, may be required to fund Guaranteed Grand Prize award deficiencies. Contributions from the PRA shall first be utilized, and then contributions from individual Member Lotteries and Licensee Lotteries participating in the PRA if necessary.

Contributions required from the PRA or from Member Lotteries and Licensee Lotteries participating in the PRA shall be determined on a pro rata basis based on sales since the most recent Grand Prize win.

704.067 Limited to Highest Powerball Prize Won. The holder of a winning PB Play may win only one (1) prize per PB Play in connection with the winning Powerball numbers drawn for the Powerball game, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

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

A player may win both a PB prize and also a DP prize if the player purchased the DP add-on option to the Powerball Play, and if the PB Play and the DP Play match the winning numbers drawn for both the Powerball game and the Double Play game.

All liabilities for a Powerball prize, a Power Play prize, and a Double Play prize are discharged upon payment of a prize claim.

704.07 Prize Claim Period. Prize claims shall be submitted within the period set forth in these regulations.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-705 POWERBALL TICKET VALIDATION

705.01 Powerball Ticket Validation. To be a valid Play and eligible to receive a prize, a Play's ticket or ticketless transaction shall satisfy all the requirements established by a Selling Lottery for validation of winning Plays sold through its CGS and any other validation requirements adopted by the Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and Selling Lotteries shall not be responsible for tickets or ticketless transactions which are altered in any manner.

705.02 Under no circumstances will a claim be paid for any prize without an official ticket (or validly registered ticketless transaction) matching all game Play, serial number and other validation data residing in the Selling Lottery's CGS and such ticket (or validly registered ticketless transaction) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.

705.03 In addition to the above, in order to be deemed a valid, winning Play, unless the Play is a validly registered ticketless transaction, all of the following conditions must be met:

705.03A The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the Drawing date(s) printed on the ticket;

705.03B The ticket must be intact;

705.03C The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;

705.03D The ticket must not be counterfeit or an exact duplicate of another winning ticket;

705.03E The ticket must have been issued by an authorized sales agent, or retailer of the Selling Lottery and printed on paper in compliance with MUSL Rule 2;

705.03F The ticket must not have been stolen, to the knowledge of the Selling Lottery;

705.03G The Play data must have been recorded on the Selling Lottery's CGS prior to the Drawing and the Play data must match this computer record in every respect. In the event of a conflict between information as printed on the ticket and as accepted by the Selling Lottery's CGS, the wager accepted by the Selling Lottery's CGS shall be the valid wager;

705.03H The player or computer pick number selections, validation data and the Drawing date(s) of an apparent winning Play must appear on the official file of winning Plays, and a Play with that exact data must not have been previously paid;

705.03I The play must not be mis-registered, and the Play's ticket must not be defectively printed or printed or produced in error to an extent that it cannot be processed by the Selling Lottery that issued the Play;

705.03J In submitting a Play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the Selling Lottery that issued the Play;

705.03K There must not be any other breach of these Powerball Game Rules in relation to the Play that, in the opinion of the Director of the Selling Lottery that issued the Play, justifies invalidation.

705.03L The Play must be submitted to the Selling Lottery that issued it.

705.03M Ticketless transaction Plays must meet the validation requirements of the Selling Lottery that issued the Play.

705.04 A Play submitted for validation that fails any of the validation conditions shall be considered void, subject to the following determinations:

705.04A In all cases of doubt, the determination of the Selling Lottery shall be final and binding; however, the Selling Lottery may, at their option, replace an invalid Play with a Play of equivalent sales price;

705.04B In the event a defective ticket is purchased or in the event the Selling Lottery determines to adjust an error, the Claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Play of equivalent sales price;

705.04C In the event a Play is not paid by a Selling Lottery and a dispute occurs as to whether the Play is a winning Play, the Selling Lottery may, at its option, replace the Play as provided in paragraph (i) of this subsection. This shall be the sole and exclusive remedy of the Claimant unless the laws or regulations governing the Selling Lottery provide for further administrative review.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-706 TICKET RESPONSIBILITY

706.01 Prize Claims. Prize claim procedures shall be governed by the rules of the selling lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.

706.02 Signature. Until such time as a signature is placed upon a Powerball ticket in the area designated for signature, a Powerball ticket shall be owned by the bearer of the Powerball ticket. When a signature is placed on the Powerball ticket in the place designated, the person whose signature appears in such area shall be the owner of the Powerball ticket and shall be entitled to any prize attributable thereto, except as otherwise provided in these regulations.

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

706.04 Ticketless Transactions. A Ticketless Transaction Play is only valid when registered with the lottery in accordance with lottery rules, these Rules and the MUSL Rules. The person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction Play. A receipt for a Ticketless Transaction Play has no value and is not evidence of a Play.

706.05 The MUSL and the Participating Lotteries shall not be responsible to a prize claimant for Plays redeemed in error by a selling agent, sales agent or retailer.

706.05 Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Powerball and Double Play Drawings. MUSL and the Participating Lotteries are not responsible for winning numbers reported in error.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-707 INELIGIBLE PLAYERS

707.01 General. A Play or share for the Powerball game issued by any of its party lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:

707.01A A MUSL employee, officer or director,

707.01B A contractor or consultant under agreement with MUSL to review the MUSL audit and security procedures,

707.01C 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

707.01D An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in REG 707.01A, 707.01B, 707.01C and 707.01D and residing in the same household.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-708 APPLICABLE LAW

708.01 General. In purchasing a Play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division, and by directives and determinations of the Director.

A prize claimant agrees, as its sole and exclusive remedy, that claims arising out of a Play can only be pursued against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Powerball Play was purchased and only against the Selling Lottery that issued the play. No claim shall be made against any other Participating Lottery or against MUSL.

Nothing in these regulations shall be construed as a waiver of any defense or claim the Selling Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against the Selling Lottery, any other Participating Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Selling Lottery, including the declaration of prizes and the payment thereof and the interpretation of Powerball Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Powerball Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these regulations or the laws, rules, regulations, procedures, and decisions of that Selling Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these regulations and the laws, rules, regulations, procedures, and decisions of that Selling Lottery.

(Section 9-823, R.R.S. 2012. May 31, 1994.)

REG-709 Repealed. (Section 9-803, 9-823, R.R.S. 1997. October 23, 1997.)

REG-710 POWER PLAY

710.01 Promotion Description. The Powerball Power Play promotion is a limited extension of the Powerball game and is conducted in accordance with the Powerball game rules and other lottery rules applicable to the Powerball game except as may be amended herein. The promotion will begin at a time announced by the Division and will continue until discontinued by the Division. The promotion will offer to the owners of a qualifying play a chance to increase the amount of any of the eight lowest Set Prizes (the prizes normally paying \$4 to \$1,000,000) won in a drawing held during the promotion. The Grand Prize is not a Set Prize and will not be increased. Power Play is not applicable to the Powerball Double Play Promotion.

710.02 Qualifying Play. A qualifying play is any single Powerball play for which the player pays an extra dollar for the Power Play option, and which is recorded at the Party Lottery's central computer as a qualifying Power Play play.

710.03 Prizes to be increased. Except as provided in these regulations, a qualifying play which wins one of seven lowest Set Prizes (excluding the Match 5+0 prize) will be multiplied by the number selected, either two, three, four, five, or sometimes ten (2, 3, 4, 5, or sometimes 10), in a separate random Power Play drawing announced during the official Powerball drawing show. The ten (10X) multiplier will be available for drawings in which the initially advertised annuitized Grand Prize amount is one hundred fifty million dollars (\$150,000,000) or less. The announced Match 5+0 prize, for players selecting the Power Play option, shall be paid two million dollars (\$2,000,000.00) unless a higher limited promotional dollar amount is announced by the Group.

710.03A Power Play Draws. MUSL will conduct a separate random "Power Play" drawing and announce results during each of the regular Powerball drawings held during the promotion. During each Powerball drawing a single number (2, 3, 4, 5, and sometimes 10) shall be drawn. The ten (10X) multiplier shall be available for all drawings in which the initially advertised Grand Prize amount is one hundred fifty million dollars (\$150,000,000) or less. The Powerball Group may modify the multiplier features for special promotions from time to time.

710.04 Power Play Prize Pool.

710.04A The Power Play Prize Pool (PPP) is hereby created, which is used to fund Power Play prizes. The PPP shall hold the temporary balances that may result from having fewer than expected winners in the Power Play. The source of the PPP is the Party Lottery's weekly prize contributions less actual Power Play Prize liability.

710.04B In total, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes:

710.04B(1) In drawings where the ten (10X) multiplier is available, the expected payout for all prize categories shall consist of up to forty-nine and nine hundred sixty-nine thousandths' percent (49.969%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket. In drawings where the "ten (10X)" multiplier is not available, the expected payout for all prize categories shall consist of up to forty-five and nine hundred thirty-four thousandths' percent (45.934%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a ticket.

710.04B(2) In drawings where the ten (10X) multiplier is available, an additional thirty-one thousandths' percent (0.031%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes. In drawings where the ten (10X) multiplier is not available, an additional four and sixty-six thousandths' percent (4.066%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the PPP, for the purpose of paying Power Play prizes.

710.04C The prize payout percentage per draw may vary. The PPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Power Play prizes awarded in the current draw and held in the PPP.

710.04D Any amount remaining in the Power Play pool account at the end of this game shall be returned to all lotteries participating in the account after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction statute.

710.04E Expected Prize Payout.

Prize Amount		Regardless of Power Play number selected:				
Match 5+0	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
	Set Prize Amount	10X	5X	4X	3X	2X
Match 4+1	\$50,000	\$500,000	\$250,000	\$200,000	\$150,000	\$100,000
Match 4+0	\$100	\$1,000	\$500	\$400	\$300	\$200
Match 3+1	\$100	\$1,000	\$500	\$400	\$300	\$200
Match 3+0	\$7	\$70	\$35	\$28	\$21	\$14
Match 2+1	\$7	\$70	\$35	\$28	\$21	\$14
Match 1+1	\$4	\$40	\$20	\$16	\$12	\$8
Match 0+1	\$4	\$40	\$20	\$16	\$12	\$8

In certain rare instances, the Powerball set prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Powerball set prize amount of \$50,000.00 becomes \$25,000.00 under the rules of the Powerball game and a 5x Power Play multiplier is selected, then a Power Play player winning that prize amount would win \$125,000.00.

710.04F Probability of Winning. The following table sets forth the probability of the various Power Play numbers being drawn during a single Powerball drawing, except that the Power Play amount for the Match 5+0 prize will be two million dollars (\$2,000,000). The Group may elect to run limited promotions that may modify the multiplier features.

Power Play	Probability of Prize Increase	Chance of Occurrence
10X - Prize Won Times 10	1 in 43	2.3255%
5X - Prize Won Times 5	2 in 43	4.6512%
4X - Prize Won Times 4	3 in 43	6.9767%
3X - Prize Won Times 3	13 in 43	30.2326%
2X - Prize Won Times 2	24 in 43	55.8140%
When the 10x multiplier is not available:		
10X - Prize Won Times 10	0 in 42	0.00%
5X - Prize Won Times 5	2 in 42	4.7619%
4X - Prize Won Times 4	3 in 42	7.1429%
3X - Prize Won Times 3	13 in 42	30.9523%
2X - Prize Won Times 2	24 in 42	57.1429%
Power Play does not apply to the Powerball Grand Prize. Except as provided in Rule E(4), a Power Play Match 5 prize is set at two million dollars (\$2 million), regardless of the multiplier selected.		

710.05 Limitations on payment of Power Play prizes.

710.05A Prize Pool Carried Forward. For Party Lotteries, the prize pool percentage allocated to the Power Play 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.

710.05B Pari-Mutuel Prizes—All Prize Amounts. Except as provided for in REG-710.05B(3):

710.05B(1) If the total of the original Powerball set prizes and the multiplied Power Play set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the set prizes (including the Power Play Prize amounts) awarded shall be drawn from the following sources, in the following order:

710.05B(1)(i) The amount available in the SPP and the PPP, if any;

710.05B(1)(ii) an amount from the Powerball SPRA, if available in the account, not to \$40,000,000 per drawing; and

710.05B(1)(iii) other amounts as agreed to by the Product Group in their sole discretion.

710.05B(2) If, after these sources are depleted, there are not sufficient funds to pay the set prizes awarded (including Power Play prize amounts), then the highest set prize (including the Power Play prize amounts) shall become a pari-mutuel prize. If the amount of the highest set prize, when paid on a pari-mutuel basis, drops to or below the next highest set prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest set prize, including the Power Play prize amount, 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. Powerball and Power Play prizes will be reduced by the same percentage.

710.05B(3) By agreement with the Licensee Lotteries, the Licensee Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Power Play prize amounts. The Party Lotteries and the Licensee Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently calculated prize amounts.

710.06 Prize Payments. All Power Play prizes shall be paid in one ~~lump sum~~ single payment through the Selling Lottery that sold the winning ticket(s). A Selling Lottery may begin paying Power Play prizes after receiving authorization to pay from the MUSL central office.

710.06A Prizes Rounded. Prizes, which, under these regulations, 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 prize pool for the next drawing.
(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-711 DOUBLE PLAY

711.01 Promotion Description. The Powerball Double Play Promotion (“DP” or “Promotion”) is an add-on to the Powerball game, and participation by a Lottery is optional. Players must purchase an official Powerball ticket to participate in DP.

DP offers players a second chance to win a new set of prizes, using the same numbers the player selected (manually or by computer pick) for their Powerball Play. The Double Play Drawing is a separate drawing which takes place after the official Powerball Drawing, conducted by and in accordance with the Product Group approved Draw Procedures.

Selling Lotteries may choose when to start and end the Double Play Promotion.

DP is an additional add-on to the Powerball game, and does not replace or alter Power Play. Power Play is not available with the Double Play Promotion. DP Prizes will not be multiplied or increased by the Power Play Promotion.

DP is conducted in accordance with the Powerball Double Play Promotion Rules and Selling Lottery rules. All rules applicable to the Powerball Game are applicable to the DP Promotion unless otherwise indicated.

Powerball prizes and Double Play prizes are determined separately; for example, a Powerball player who chooses to participate in Double Play may win both a Double Play prize and a Powerball Prize, if their Play numbers match the Powerball winning numbers and also the Double Play winning numbers.

Participating Lotteries may require purchase of the Double Play promotion when a player purchases a Powerball play.

711.01A Double Play is a five (5) out of sixty-nine (69) plus one (1) out of twenty-six (26) lottery game, drawn on the day(s), time(s) and location(s) as determined by the Powerball Product Group, and which pays a single payment First Prize.

711.01B DP Winning Numbers. Double Play winning numbers applicable to determine Double Play prizes will be determined on the day(s), time(s) and location(s) as determined by the Powerball Product Group. During the drawing event, five (5) numbers shall be drawn from the first set of sixty-nine (69) numbers, and one (1) number shall be drawn from the second set of twenty-six (26) numbers, which shall constitute the Double Play Winning Numbers.

Powerball winning numbers shall not be used to determine Double Play prizes. Double Play winning numbers shall not be used to determine Powerball prizes.

711.02 Requirements To play Double Play. Players must purchase an official Powerball ticket. For an additional one dollar (\$1.00) players may purchase a Double Play at the same time the Powerball ticket is purchased. Double Play numbers shall be the same as the numbers the player selected (manually or computer pick) for their Powerball Play. The one dollar (\$1.00) purchase price for Double Play shall include any specific statutorily-mandated tax of a Selling Lottery to be included in the price of a lottery Play.

Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery.

711.03 Tickets and Ticketless Transactions. Selling Lotteries may determine whether the DP Plays are printed on the same ticket as a Powerball ticket, or on a separate ticket from the Powerball ticket. If a Selling Lottery determines that the DP Play may be on a separate ticket than the Powerball ticket, under no circumstances will a claim be paid for a DP prize without having first purchased an official Powerball ticket for the same drawing. If the DP is on a separate ticket, then that ticket must match all of the game play, serial number and other validation data residing in the Selling Lottery's CGS and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize. If the DP Play is purchased as a ticketless transaction, the Selling Lottery's electronic record of purchase shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.

711.04 Double Play Prize Pool. The prize pool for all prize categories offered by the Selling Lotteries shall consist of fifty-five percent (55%) of each drawing period's sales, inclusive of any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery PB Play, and inclusive of contributions to the prize pool accounts, but may be higher or lower based upon the number of winners at each prize level. Prize pool contribution requirements shall be based on the sales price for Plays as established by the Group, not on the amount collected by the Selling Lottery after deducting for statutorily mandated taxes.

711.05 Double Play Prize Pool Accounts. The Product Group shall set the contribution rates to the prize pool accounts established by this rule.

711.05A The following prize pool accounts for the Double Play game are hereby established:

711.05A(1) The First Prize Pool (FPP), which is used to fund the First Prize and fund deficiencies in the DPSPP. Any monies not used to pay a First Prize may be used to fund deficiencies in the DPSPP as needed. Any funds not used to pay a First Prize or fund deficiencies in the DPSPP shall accumulate in this pool until such time as funds are needed to pay a First Prize or fund deficiencies in the DPSPP; and

711.05A(2) The Double Play Set Prize Pool (DPSPP), which is used to fund the Double Play Set or Lower Tier Prizes. The DPSPP shall hold the temporary balances that may result from having fewer than expected winners in the Double Play Set Prize categories. The Source of the DPSPP is the Selling Lottery's weekly prize contributions less actual Double Play Set Prize liability.

711.05B The contribution rate to the FPP from DP Plays shall be four and nine thousand eight hundred and eighty-nine ten thousandths percent (4.9889%) of sales except as provided in 711.06A.

711.05C The Product Group may determine to expend all or a portion of the funds in the DPSPP:

711.05C 1) For the purpose of indemnifying the Selling Lotteries in the payment of prizes to be made by the Selling Lotteries; and

711.05C(2) For the payment of prizes or special prizes in the game, limited to prize pool contributions from lotteries participating in the special prize promotion.

711.06 Expected Prize Payout. The First Prize payout shall be determined on a pari-mutuel basis. All Double Play prizes shall be paid as single payment prize. Except as otherwise provided in these Rules, all prizes other than the First Prize are set prize amounts. All prize payouts are made with the following expected prize payout percentages, although the prize payout percentages per draw may vary:

Number of Matches Per PB Play	Prize Payment	DP Prize Pool Percentage Allocated to prize	DP Sales Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set. First Prize -	\$10,000,000	9.0707 %	4 .9889%*
All five (5) of first set and none of second set.	\$500,000	7.7780 %	4.2779%
Any four (4) of first set plus one (1) of second set.	\$50,000	9.9558%	5.4757%
Any four (4) of first set and none of second set.	\$500	2.4889%	1.3689%
Any three (3) of first set plus one (1) of second set.	\$500	6.2721%	3.4497%
Any three (3) of first set and none of second set.	\$20	6.2721%	3.4497%
Any two (2) of first set plus one (1) of second set.	\$20	5.1850%	2.8517%
Any one (1) of first set plus one (1) of second set.	\$10	19.7677%	10.8722%
None of first set plus one (1) of second set.	\$7	33.2097 %	18.2653%

* The maximum contribution rate may include contributions to the Prize Pool Accounts as described in these rules.

Due to jurisdictional law requirements, on December 5, 2019, the Powerball Group concluded that the California Lottery shall separately determine the low-tier cash prize values for that jurisdiction if the California Lottery decides to offer Powerball Double Play.

711.06A The First Prize amount shall be divided equally by the number of DP Plays winning the First Prize. If no Plays match the DP winning numbers as described above, the DP First Prize will not be awarded, and remains at ten million dollars (\$10,000,000).

If the amount in the FPP is insufficient to fund awarded First Prize(s), contributions from individual Participating Lotteries to fund the awarded First Prize deficiency shall be determined on a pro rata basis based on sales since the most recent First Prize win.

711.06B The DPSPP (for payment of single payment prizes of five hundred thousand dollars (\$500,000.00) 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.

711.07 Pari-mutuel Prize Determinations Applicable to Participating Lotteries. Except as may be otherwise provided:

711.07A If the total of the Double Play Set Prizes awarded in a drawing exceeds the percentage of the prize pool allocated to the Double Play Set Prizes, then the amount needed to fund the Double Play Set Prizes awarded shall be drawn from the following sources, in the following order:

711.07A(1) the amount available in the DPSPP if any;

711.07A(2) an amount from the FPP, if available; and

711.07A(3) other amounts as agreed to by the Product Group in its sole discretion.

711.07B If, after these sources are depleted, there are not sufficient funds to pay the Double Play Set Prizes, then the highest Double Play Set Prize shall become a pari-mutuel prize. If the amount of the highest Double Play Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Double Play Set Prize and there are still not sufficient funds to pay the remaining Double Play Set Prizes awarded, then the next highest Double Play Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Double Play Set Prize levels, if necessary, until all Double Play Set Prize levels become pari-mutuel prize levels; In that circumstance, the money available from the funding sources listed in this Rule shall be divided among the winning DP Plays in proportion to their respective prize percentages.

711.07C Subject to the laws and rules governing each Selling Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Product Group, for promotional purposes. Such change shall be announced by Product Group.

712 Probability of Winning Double Play Prizes. The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category for Powerball DP Plays sold by Selling Lotteries, based upon the total number of possible combinations in Powerball Double Play.

Number of Matches Per DP Play	Probability Winners	Distribution Probability	Probable/Set Prize Amount
All five (5) of first set plus one (1) of second set	1	1:292,201,338	First Prize
All five (5) of first set and none of second set	25	1:11,688,053.52	\$500,000.00
Any four (4) of first set plus one (1) of second set	320	1:913,129.1813	\$50,000.00
Any four (4) of first set and none of second set	8,000	1:36,525.1673	\$500.00
Any three (3) of first set plus one (1) of second set	20,160	1:14,494.1140	\$500.00
Any three (3) of first set and none of second set	504,000	1:579.7646	\$20.00
Any two (2) of first set plus one (1) of second set	416,640	1:701.3281	\$20.00
Any one (1) of first set plus one (1) of second set	3,176,880	1:91.9775	\$10.00
None of first set plus one (1) of second set	7,624,512	1:38.3239	\$7.00
Overall	11,750,538	1:24.8671	

CHAPTER 800-NEBRASKA PICK 5

REG-801 GAME DESCRIPTION

801.01 General. Nebraska Pick 5 is an on-line lottery game which pays all prizes including the Grand Prize on a cash basis except as provided in these regulations or the Nebraska Pick 5 game rules. To play Nebraska Pick 5, a player shall select five (5) different numbers as established in the Nebraska Pick 5 game rules for input into a terminal. Nebraska Pick 5 tickets shall be purchased from a terminal operated by a Lottery Game Retailer. Each play costs one dollar (\$1). The player shall select a set of five numbers by communicating the five (5) numbers to the Lottery Game Retailer, or by hand marking five (5) numbered squares in any one game play area on a play slip and submitting the play slip to the Lottery Game Retailer, or by requesting a computer "quick pick" from the Lottery Game Retailer. The Lottery Game Retailer will then issue a Nebraska Pick 5 ticket, via the terminal, containing the selected set or sets of numbers, each of which constitutes a Nebraska Pick 5 game play.

801.02 Claims. A Nebraska Pick 5 ticket (subject to the validation requirements set forth in Reg-805 Nebraska Pick 5 Ticket Validation) shall be the only proof of a Nebraska Pick 5 game play or plays, and the submission of a winning Nebraska Pick 5 ticket to the Division, or an authorized Lottery Game Retailer shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of a Nebraska Pick 5 ticket purchase or of numbers selected.

801.03 Cancellations Prohibited. A Nebraska Pick 5 ticket may not be voided or canceled by returning the Nebraska Pick 5 ticket to the selling Lottery Game Retailer or to the Division, including Nebraska Pick 5 tickets that are printed in error. No Nebraska Pick 5 ticket which can be used to claim a prize shall be returned to the Division for credit. Nebraska Pick 5 tickets accepted by Division Game Retailers as returned tickets will remain charged to the Lottery Game Retailer's account. Ownership of the tickets is in bearer form until the ticket is signed on the reverse side. Lottery Game Retailers who accept unsigned Nebraska Pick 5 tickets as returned tickets and who cannot re-sell those tickets shall be deemed the owners of those tickets.

801.04 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the Nebraska Pick 5 game play or plays and other data printed on the Nebraska Pick 5 ticket. The placing of Nebraska Pick 5 plays is done at the player's own risk through the on-line Lottery Game Retailer who is acting on behalf of the player in entering the Nebraska Pick 5 play or plays.

801.05 Entry of Nebraska Pick 5 Plays. Nebraska Pick 5 plays may only be entered manually using the on-line lottery terminal keypad (including a computer "quick pick") or by means of a play slip provided by the Division. A Lottery Game Retailer 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 Division. Lottery Game Retailers shall not permit any device to be connected to an on-line lottery terminal to enter Nebraska Pick 5 plays, except as approved by the Division. Any play slip number selection by a method other than hand marked by the player and any resulting ticket shall be invalid.

801.06 Drawings. Drawings shall be held at the times and places established by the Division in the Nebraska Pick 5 game rules and the results shall be subsequently announced to the public.

801.06A The Director shall determine the time for the end of sales prior to the drawings. On-line terminals shall not process on-line tickets for that drawing after the time established by the Director.

801.06B The Division 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.

(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-802 PRIZE POOL

802.01 Prize Pool. The prize pool for all prize categories shall be established in the Nebraska Pick 5 game rules and shall consist of a percentage of each drawing period's sales as established in the Nebraska Pick 5 game rules. 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 Director in accordance with the State Lottery Act.

802.02 Expected Prize Payout Percentages. All prizes including the Grand Prize shall be set out in the Nebraska Pick 5 game rules.

(Sections 9-812 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-803 PROBABILITY OF WINNING

803.01 Probability of Winning. The probability of winning and the probable distribution of winners in and among each prize category shall be set out in the Nebraska Pick 5 game rules. All prizes except “free ticket” prizes shall be cash prizes, even if determined on a parimutuel basis.

(Sections 9-812 and 9-823 R.R.S. 2012. October 7, 2015.)

REG-804 PRIZE PAYMENT

804.01 Cash Prize Payments. All prizes except “free ticket” prizes shall be paid in cash by either a Lottery Game Retailer or at a Division claim center. A “free ticket” prize shall be redeemable by a Lottery Game Retailer for a free quick pick of the next Nebraska Pick 5 drawing after redemption. If a “free ticket” prize is brought or mailed into Lottery Headquarters or a lottery claim center, the Headquarters or claim center may, at its sole discretion, transfer to the claimant a free quick pick ticket, transfer to the claimant a coupon for a “free ticket” redeemable at a Lottery Game Retailer or transfer to the claimant a warrant for \$1 (one dollar).

804.02 Guaranteed Prizes. The Division may make changes in the prize structure, prize pool, probability of winning or the probable distribution of winners when the Division determines that it would be in the best interest of the Nebraska Pick 5 game and the Division.

804.03 Limited to Highest Prize Won. The holder of a winning Nebraska Pick 5 ticket may win only one prize per game play area in connection with the winning Nebraska Pick 5 numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

804.04 Prize Claim Period. Prize claims shall be submitted within the period set forth in Reg-602.05. In the event that the Nebraska Pick 5 game is closed, and no other redemption option is provided by the Division, a “Free ticket” prize may be redeemed for one dollar (\$1.00) by submitting such claim to Lottery Headquarters or a Lottery Claim Center.

804.05 Free Ticket Redemption after Game Close. In the event that the Division discontinues this game, any free plays that are won on the last draw of the game may be redeemed toward any other active lotto game within 180 days.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-805 NEBRASKA PICK 5 TICKET VALIDATION

805.01 Nebraska Pick 5 Ticket Validation. To be a valid Nebraska Pick 5 ticket and eligible to receive a prize, a ticket shall satisfy all the requirements set forth in Reg-603 for validation of winning tickets and any other validation requirements adopted by the Division in the Confidential Nebraska Lottery Minimum Game Security Standards. The Division shall not be responsible for Nebraska Pick 5 tickets which are altered in any manner.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-806 TICKET RESPONSIBILITY

806.01 Signature. Until such time as a signature is placed upon a Nebraska Pick 5 ticket in the area designated for signature, a Nebraska Pick 5 ticket shall be owned by the bearer of the Nebraska Pick 5 ticket. When a signature is

placed on the Nebraska Pick 5 ticket in the place designated, the person whose signature appears in such area shall be the owner of the Nebraska Pick 5 ticket and shall be entitled to any prize attributable thereto, except as otherwise provided in these regulations.

806.02 Stolen Tickets. The Division shall not be responsible for lost or stolen Nebraska Pick 5 tickets.

(Section 9-823, R.R.S. 2012. October 7, 2015.)

REG-807 INELIGIBLE PLAYERS

807.01 General. Nebraska Pick 5 ticket or share shall not be purchased by, and a prize won by any such Nebraska Pick 5 ticket or share shall not be paid to:

807.01A A contractor or consultant under agreement with the Division to review the Division audit and security procedures,

807.01B An employee of an independent accounting firm under contract with Division to observe drawings or site operations and actually assigned to the Division account and all partners, shareholders, or owners in the local office of the firm, or

807.01C An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in 807.01A, 807.01B and 807.01C and residing in the same household.

(Sections 9-810 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-808 APPLICABLE LAW

808.01 General. In purchasing a ticket, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division.

(Section 9-823, R.R.S. 2012. April 18, 1995.)

CHAPTER 900-DAILY MILLIONS

REG-901 GAME DESCRIPTION Repealed.

(Sections 9-803, 9-823 R.R.S., 1997. July 23, 1999)

REG-902 PRIZE POOL Repealed.

(Section 9-812, 9-23 R.R.S., 1997. July 23, 1999)

REG-903 PROBABILITY OF WINNING Repealed.

(Section 9-812, 9-823 R.S. Supp., 1998. July 23, 1999)

REG-904 PRIZE PAYMENT Repealed

(Section 9-823 R.R.S., 1997. July 23, 1999)

REG-905 DAILY MILLIONS TICKET VALIDATION Repealed.

(Section 9-823 R.R.S., 1997. July 23, 1999)

REG-906 TICKET RESPONSIBILITY Repealed.

(Section 9-823 R.R.S., 1997. July 23, 1999)

REG-907 INELIGIBLE PLAYERS Repealed

(Section 9-810, 9-823 R.R.S., 1997. July 23, 1999)

REG-908 APPLICABLE LAW Repealed.
(Section 9-823 R.R.S., 1997. July 23, 1999)

CHAPTER 1000-WILD CARD

REG-1001 GAME DESCRIPTION Repealed.
(Sections 9-803, 9-823, R.R.S., 1997. July 23, 1999)

REG-1002 PRIZE POOL Repealed.
(Sections 9-812, 9-823, R.S. Supp., 1998. July 23, 1999)

REG-1003 PROBABILITY OF WINNING Repealed.
(Section 9-812, 9-823, R.R.S., 1997. July 23, 1999)

REG-1004 PRIZE PAYMENT Repealed.
(Section 9-823, R.R.S., 1997. July 23, 1999)

REG-1005 WILD CARD TICKET VALIDATION Repealed.
(Section 9-823 R.R.S., 1997. July 23, 1999)

REG-1006 TICKET RESPONSIBILITY Repealed.
(Section 9-823 R.R.S., 1997. July 23, 1999)

REG-1007 INELIGIBLE PLAYERS Repealed.
(Section 9-810, 9-823 R.R.S., 1997. July 23, 1999)

REG-1008 APPLICABLE LAW Repealed.
(Section 9-823 R.R.S., 1997. July 23, 1999)

CHAPTER 1100-CASH 4 LIFE

Sections 1100-1108 Repealed in their entirety.

Chapter 1200 ROLLDOWN

Sections 1200-1208 Repealed in their entirety.

CHAPTER 1300 – 2BY2

REG-1301 — GAME DESCRIPTION.

1301.01 2by2 is a two (2) out of twenty-six (26) plus two (2) out of twenty-six (26) on-line lottery game drawn once a day, seven days a week as part of the 2by2 drawing event, which pays the Grand Prize and all other prizes on a single payment basis. 2by2 winning numbers applicable to determine 2by2 prizes will be determined daily as part of the 2by2 drawing event.

To play 2by2, a player shall select (or computer pick) two (2) different “red” numbers, from one (1) through twenty-six (26), inclusive, and two (2) additional different “white” numbers from one (1) through twenty-six (26), inclusive. The numbers for the second (white) set of two numbers may be the same as the numbers for the first (red) set of two numbers selected by the player.

Plays can be purchased for one dollar (\$1.00), including sales tax where mandated, by any means approved by the Division and the Product Group. Plays may be purchased from a Lottery Game Retailer in a manner as approved by the Division and in accordance with MUSL rules.

The Drawing Procedures shall include procedures for randomly selecting the 2by2 game Winning Numbers.

1301.01A Seven Draws Promotion. A multi-draw ticket or ticketless transaction with one or more Plays for only seven (7) consecutive draws or only multiples of seven (7) consecutive draws shall qualify for double prizes won on the included Tuesday draw, as limited by REG-1302.03. Plays purchased for any number of draws other than in multiples of seven (7) draws shall not qualify for double prizes won on any Tuesday.

1301.02 Claims. Unless otherwise permitted by the Division, a ticket (subject to the validation requirements set forth in 2by2 Rule 31 (Ticket Validation)) or properly registered ticketless transaction shall be the only proof of a game play or plays and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected.

1301.03 Cancellations Prohibited. A Play may not be voided or canceled by returning the ticket to the selling agent or to the lottery, including tickets that are printed in error. The Division may develop an approved method of compensating retailers for plays that are not transferred to a player for a reason acceptable to the Division. No play that is eligible for a prize shall be returned to the lottery for credit. Tickets accepted by retailers as returned tickets and which cannot be re-sold shall be deemed owned by the bearer thereof.

1301.04 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 or contained in a ticketless transaction. The placing of Plays is done at the player's own risk through the on-line agent who is acting on behalf of the player in entering the play or plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

1301.05 Entry of Plays. Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a play slip as approved by the Division or by such other means approved by the Division. Retailers shall not permit the use of play slips that are not approved by the Division. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter plays, except as approved by the Division.

1301.06 Future Plays. No Party Lottery shall offer advance plays or multi-draw plays which extend more than 90 days beyond the sale date. Proceeds from advance sales may be held by the Party Lottery until the draw date for which the Play applies.

1301.07 Drawings. Drawings shall be held at the times and places established by the 2by2 Group and the results shall be subsequently announced to the public.

1301.07A The 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 2by2 Group. Terminals shall not process on-line tickets for that drawing after the time established by the Director.

1301.07B The 2by2 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.

REG1302—PRIZE POOL

1302.01 Prize Pool. Thirty-nine- and one-half percent (39.5) of each draw's sales, inclusive of any specifically statutorily mandated tax of a Selling Lottery to be included in the price of a play, shall be collected and placed in prize pool prize reserve account(s) for the payment of prizes. Contribution rates shall be described below. This rate does not include a Selling Lotteries prize expense for "free plays."

1302.02 Prize Pool and Prize Reserve Accounts.

1302.02A The Product Group shall set the contribution rates to one or more prize pool and prize reserve accounts established by this rule.

1302.02A(1) 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; to fund deficiencies in prize payments (subject to the limitations of these rules); and for other purposes as established in these Rules, is hereby established

1302.02B The following prize pool accounts for the 2by2 game are hereby established:

1302.02B(1) The Grand Prize Pool (GPP), which is used to fund Grand Prizes; and

1302.02B(2) The Set Prize Pool (SPP), which is used the fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories excluding "free play" prizes. The Source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability;

1302.02C The above prize reserve accounts may have maximum balance amounts or balance limit triggers that are set by the Product Group and are detailed in the Comments to MUSL 2by2 Game Group Rule 28.2.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

1302.02D Contribution rates to prize pools and prize reserve account(s) are as follows;

1302.02D(1) Twenty-two percent (22%) of a Party Lottery's sales shall be placed in the GPP;

1302.02D(2) Seventeen- and one-half percent (17.5%) of a Party Lottery's sales shall be placed in the SPP;

1302.02D(3) An amount up to one and thirty-two thousand two hundred and thirteen one-hundred

thousandths percent (1.32213%) of a Party Lottery's sales shall be placed in the PRA until it reaches its designated maximum balance.

1302.02E The Product Group may determine to expend all or a portion of the funds in the 2by2 prize pools and the prize reserve accounts (except the GPP):

1302.02E(1) For the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and

1302.02E(2) For the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

1302.02F The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

1302.02G A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a prize reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account, whether or not it has been paid in full.

1302.02H Any amount remaining in the 2by2 prize pools or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pool and reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

1302.03 Expected Prize Payout Percentages. All prizes awarded shall be paid as single payment prizes or Free Play prizes with the following expected prize payout percentages:

For all plays that are not Double Tuesday qualifying plays:

Number of Matches Per Play*	Prize Payment	Prize Pool Percentage Allocated to Prize
Two (2) of first set plus two (2) of second set.	\$22,000.00	Grand Prize* 41.1862%
Two (2) of first set plus any one (1) of second set.	\$100.00	8.9861%
Any one (1) of first set plus two (2) of second set.	\$100.00	8.9861%
Two (2) of first set plus none of second set.	\$3.00	1.5501%
None of first set plus two (2) of second set.	\$3.00	1.5501%
Any one (1) of first set plus any one (1) of second set.	\$3.00	12.9399%
Any one (1) of first set plus none of second set.	One (1) Free Play	12.4008%
None of first set plus any one (1) of second set.	One (1) Free Play	12.4008%
None of first set plus none of second set.	\$0.00	0.0000%

* If more than ten (10) plays chosen by players contain the four (4) winning Grand Prize numbers in any one drawing, the prizes shall be divided as set out in REG-1302.03A.
The above percentages assume maximum funding of PRA has been reached and otherwise include all contributions to the prize pools and the PRA.

Amended February 22, 2012; June 21, 2013.

For all Double Tuesday qualifying plays:

On Double Tuesdays:		Prize	Pool
Percentage			
Number of Matches Per Play*	Prize Payment	Allocated to Prize	
Two (2) of first set plus two (2) of second set.	\$44,000.00	Grand Prize*	
		41.1862%	
Two (2) of first set plus any one (1) of second set.	\$200.00	8.961%	
Any one (1) of first set plus two (2) of second set.	\$200.00	8.961%	
Two (2) of first set plus none of second set.	\$6.00	1.5501%	
None of first set plus two (2) of second set.	\$6.00	1.5501%	
Any one (1) of first set plus any one (1) of second set.	\$6.00	12.9399%	
Any one (1) of first set plus none of second set.	Two (2) Free Plays	12.4008%	
None of first set plus any one (1) of second set.	Two (2) Free Plays	12.4008%	
None of first set plus none of second set.	\$0.00	0.0000%	

* If more than ten (10) plays chosen by players contain the four (4) winning Grand Prize numbers in any one drawing, the prizes shall be divided as set out in REG-1302.03A.
The above percentages assume maximum funding of PRA has been reached and otherwise include all contributions to the prize pools and PRA.

Amended February 22, 2012; June 21, 2013.

1302.03A The Grand Prize shall be a set amount of \$22,000 unless more than ten (10) game play areas contains the four (4) winning Grand Prize numbers in any single game drawing in which case the total prize money to be paid on greater than ten (10) eligible Plays (taking into account eligible double prizes) shall be divided equally per prize type (standard prize and double Tuesday prize winners each receiving their proportionate share) on a pari-mutuel basis based on the number of winning game play areas.

1302.03B The GPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the prizes awarded in the current draw.

The SPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the 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 prizes, then the amount needed to fund the Set Prizes awarded shall be drawn from the following sources, in the following order:

1302.03B(1) The amount available in the SPP, if any; and

1302.03B(2) An amount from the PRA, if available.

If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining set prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this rule shall be divided among the winning plays in proportion to their respective prize percentages, with the exception that a “free play” prize shall always at a minimum be a “free play” prize.

1302.03C A “Free Play” prize shall constitute a free quick pick single-board 2by2 ticket for the next upcoming draw.

REG1303—PROBABILITY OF WINNING 2BY2 PRIZES.

1303.01 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 2by2.

# of Matches Per Ticket	Distribution Probability	Probable/ Set Prize Amt.
(2) of first set	1:105,625	\$22,000
Plus (2) of 2 nd set		
(2) of first set Plus any (1) of 2 nd set	1:2,200.5	\$ 100
Any (1) of first set Plus (2) of 2 nd set	1:2,200.5	\$ 100
(2) of first set & none of 2 nd set	1:382.7	\$ 3
None of first set plus (2) of 2 nd set	1:382.7	\$ 3
Any (1) of first Set & any (1) of 2 nd set	1:45.8	\$ 3
Any (1) of first Set plus none of 2 nd set	1:8.0	Free Play
None of first set plus Any (1) of 2 nd set	1:8.0	Free Play
None of first set plus None of 2 nd set	1:4	\$0
OVERALL	1:3.59	

As described above the first set of numbers are the “red” set of numbers, the second set of numbers are the “white” set of numbers.

REG 1304 PRIZE PAYMENT

1304.01 Grand Prize. Grand prizes shall be paid in a single payment and at the discretion of the Division. Grand Prizes may be paid by cash, check, warrant, or electronic transfer.

The payment of a Grand Prize shall not be made by a Party Lottery until after receiving authorization to pay from the MUSL central office. Funds may be advanced by a Party Lottery for payment of prizes before the funds are received from MUSL.

1304.02 Set Prize Payments. All set prizes (whether described as “cash” payment prizes or otherwise) shall be paid in single payment or Free Plays through the Party Lottery that sold the winning Play(s), and at the discretion of the Division, single payment prizes may be paid by cash, check, warrant, or electronic transfer. A Party Lottery may begin paying set prizes after receiving authorization to pay from the MUSL central office.

1304.03 Prizes Rounded. Prizes which, under these regulations, 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.

1304.04 [Reserved for future use].

1304.05 [Reserved for future use].

1304.06 Limited to Highest 2by2 Prize Won. The holder of a winning Play may win only one prize per play in connection with the winning numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liability of a 2b2 prize is discharged upon payment of a prize claim.

1304.07 Prize Claim Period. Prize claims shall be submitted within 180 days after the drawing date.

REG 1305—PLAY VALIDATION.

1305.01 To be a valid Play and eligible to receive a prize, a Play’s ticket or ticketless transaction shall satisfy all the requirements established by the Division for validation of winning Plays sold through its on-line gaming system and any other validation requirements adopted by the Product Group, the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. Neither MUSL nor the Division shall be responsible for tickets or ticketless transactions that are altered in any manner.

REG 1306—PLAY RESPONSIBILITY.

1306.01 Signature. Until such time as a signature is placed upon a ticket in the area designated for signature, a ticket shall be owned by the bearer of the ticket. When a signature is placed on the ticket in the place designated, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled to any prize attributable thereto, except as provided in the validation requirements contained in 2by2 Rule 31, or as otherwise provided in these regulations.

1306.02 Multiple Signatures. The manner of payment of prizes for valid winning tickets bearing multiple signatures, marks or names shall be determined by the Division in accordance with these regulations.

1306.03 Stolen Plays. The Product Group, MUSL, and the Division shall not be responsible for lost or stolen Plays.

REG-1307—INELIGIBLE PLAYERS.

1307.01 Ineligible Players. A Play or share for a game issued by this Product Group through any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:

1307.01A A MUSL employee, officer, or director;

1307.01B A contractor or consultant under agreement with MUSL to review MUSL audit and security procedures;

1307.01C An employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to MUSL account and all partners, shareholders, or owners in the local office of the firm;

1307.01D An employee or a commissioner of a Party Lottery to the 2by2 Group; or

1307.01E An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in REG-1307.01A, 1307.01B, 1307.01C, and 1307.01D and residing in the same household.

1307.02 Those persons designated by the State Lottery Act as ineligible to play games offered by the Division shall also be ineligible to play the MUSL game in Nebraska.

REG 1308—APPLICABLE LAW.

1308.01 In purchasing a Play or attempting to claim a prize, the purchaser and prize claimant agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division.

A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a 2by2 Play can only be pursued against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the 2by2 Play was purchased and only against the Selling Lottery that issued the play. No claim shall be made against any other Participating Lottery or against MUSL.

Nothing in these regulations shall be construed as a waiver of any defense or claim the Selling Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against the Selling Lottery, any other Participating Lottery, or MUSL, or their respective officers, directors or employees.

All decisions made by a Selling Lottery, including the declaration of prizes and the payment thereof and the interpretation of 2by2 Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the 2by2 Play was issued.

No prize shall be paid upon a Play purchased, claimed, or sold in violation of these regulations, the policies of the Division, or the State Lottery Act.; any such prize claimed but unpaid shall constitute an unclaimed prize.

CHAPTER 1400 NEBRASKA PICK 3

REG-1401 GAME DESCRIPTION

1401.01 General. Nebraska Pick 3 is an on-line lottery game which pays all prizes on a cash basis except as provided in these regulations or in the Nebraska Pick 3 game rules. To play Nebraska Pick 3, a player shall select three (3) different numbers as established in the Nebraska Pick 3 game rules, which game rules shall be developed pursuant to Reg-208.05. The numbers selected are inputted into a terminal. Nebraska Pick 3 tickets shall be purchased from a terminal operated by the Division or a Lottery Game Retailer. Each play costs one dollar (\$1). The player shall select a set of three (3) numbers by communicating the numbers to the terminal operator, or by hand-marking three (3) numbered squares in any one game play area on a play slip and submitting the play slip to the terminal operator, or by requesting a computer “quick pick” from the terminal operator. The terminal operator will then issue a Nebraska Pick 3 ticket, via the terminal, containing the selected set or sets of numbers, each of which constitutes a Nebraska Pick 3 game play.

1401.02 Claims. A Nebraska Pick 3 ticket (subject to the validation requirements set forth in Reg-1405 Nebraska Pick 3 Ticket Validation) shall be the only proof of a Nebraska Pick 3 game play or plays, and the submission of a winning Nebraska Pick 3 ticket to the Division, or an authorized Lottery Game Retailer shall be the sole method of

claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of a Nebraska Pick 3 ticket purchase or of numbers selected.

1401.03 Cancellations Prohibited. A Nebraska Pick 3 ticket may not be voided or canceled by returning the Nebraska Pick 3 ticket to the selling Lottery Game Retailer or to the Division, including Nebraska Pick 3 tickets which are printed in error. No Nebraska Pick 3 ticket which can be used to claim a prize shall be returned to the Division for credit. Nebraska Pick 3 tickets accepted by Lottery Game Retailers as returned tickets will remain charged to the Lottery Game Retailer's account. Ownership of the tickets is in bearer form until the ticket is signed on the reverse side. Lottery Game Retailers who accept unsigned Nebraska Pick 3 tickets as returned tickets and who cannot re-sell those tickets shall be deemed the owners of those tickets.

1401.04 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the Nebraska Pick 3 game play or plays and other data printed on the Nebraska Pick 3 ticket. The placing of Nebraska Pick 3 plays is done at the player's own risk through the on-line terminal operator who is acting on behalf of the player in entering the Nebraska Pick 3 play or plays.

1401.05 Entry of Plays. Nebraska Pick 3 plays may only be entered manually using the on-line lottery terminal keypad (including a computer "quick pick") or by means of a play slip provided by the Division. A Lottery Game Retailer 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 Division. Lottery Game Retailers shall not permit any device to be connected to an on-line lottery terminal to enter Nebraska Pick 3 plays, except as approved by the Division. Any play slip number selection by a method other than hand-marked by the player and any resulting ticket shall be invalid.

1401.06 Drawings. Drawings shall be held at the times and places established by the Division in the Nebraska Pick 3 game rules and the results shall be subsequently announced to the public.

1401.06A The Director shall determine the time for the end of sales prior to the drawings. On-line terminals shall not process on-line tickets for that drawing after the time established by the Director.

1401.06B The Division 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.

REG-1402 PRIZE POOL

1402.01 Prize Pool. The prize pool for all prize categories shall be established in the Nebraska Pick 3 game rules and shall consist of a percentage of each drawing period's sales as established in the Nebraska Pick 3 game rules. Any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or expended in a manner as directed by the Director in accordance with the State Lottery Act.

1402.02 Expected Prize Payout Percentages. All prizes shall be set out in the Nebraska Pick 3 game rules.

REG-1403 PROBABILITY OF WINNING

1403.01 Probability of Winning. The probability of winning and the probable distribution of winners in and among each prize category shall be set out in the Nebraska Pick 3 game rules. All prizes shall be cash prizes, even if determined on a pari-mutuel basis.

REG-1404 PRIZE PAYMENT

1404.01 Cash Prize Payments. All prizes shall be paid in cash by either a Lottery Game Retailer or at a Division claim center.

1404.02 Guaranteed Prizes. The Division may make changes in the prize structure, prize pool, probability of winning or the probable distribution of winners when the Division finds that it would be in the best interest of the Nebraska Pick 3 game and the Division.

1404.03 Limited to Highest Prize Won. The holder of a winning Nebraska Pick 3 ticket may win only one prize per game play area in connection with the winning Nebraska Pick 3 numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

1404.04 Prize Claim Period. Prize claims shall be submitted within the period set forth in Reg-602.05.

REG-1405 TICKET VALIDATION

1405.01 Ticket Validation. To be a valid Nebraska Pick 3 ticket and eligible to receive a prize, a ticket shall satisfy all the requirements set forth in REG-603 for validation of winning tickets and any other validation requirements adopted by the Division in the Confidential Nebraska Lottery Minimum Game Security Standards. The Division shall not be responsible for Nebraska Pick 3 tickets which are altered in any manner.

REG-1406 TICKET RESPONSIBILITY

1406.01 Signature. Until such time as a signature is placed upon a Nebraska Pick 3 ticket in the area designated for signature, a Nebraska Pick 3 ticket shall be deemed owned by the ticket bearer. When a signature is placed on the Nebraska Pick 3 ticket in the place designated, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled to any prize attributable thereto, except as provided in these regulations.

1406.02 Stolen Tickets. The Division shall not be responsible for lost or stolen Nebraska Pick 3 tickets.

REG-1407 INELIGIBLE PLAYERS

1407.01 General. A Nebraska Pick 3 ticket or share shall not be purchased by, and a prize won by any such Nebraska Pick 3 ticket or share shall not be paid to:

1407.01A A contractor or consultant under agreement with the Division to review the Division audit and security procedures;

1407.01B An employee of an independent accounting firm under contract with the Division to observe drawings or site operations and actually assigned to the Division account and all partners, shareholders, or owners in the local office of the firm; or

1407.01C An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in Reg-1407.01A, 1407.01B and 1407.01C and residing in the same household.

REG-1408 APPLICABLE LAW

1408.01 General. In purchasing a ticket, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division.

CHAPTER 1500 MyDaY

REG-1501 GAME DESCRIPTION

1501.01 General. MyDaY is an on-line lottery game which pays all prizes on a cash basis except as provided in the MyDaY game rules. At all times, MyDaY shall be played in accordance with the MyDaY game rules, developed pursuant to Reg-208.05 and these regulations. To play MyDaY, a player shall select one (1) number from 1 to 12 for the MONTH and one (1) number from 1 to 31 for the DAY. A player shall also select a YEAR (last two digits only), by selecting one (1) number from 0 to 9 for the first digit, and one (1) number from 0 to 9 for the second digit.

1501.02 Number Selection. The player shall select a month, day, and year using any one (1) of the following options;

1501.02A By communicating the respective numbers to the terminal operator;

1501.02B By hand-marking the “Pick a Month” “Pick a Day” and “Pick a Year” play areas on a play slip and submitting the play slip to the terminal operator; or

1501.02C By hand-marking the box marked QP for “Quick Play” on the play slip whereby the terminal shall randomly select the month, day and year, or by communicating the selection of the “Quick Play” option to the terminal operator.

1501.03 Plays. Each play slip has five play areas, allowing a player to select up to five (5) sets of numbers per play slip. The set or sets of numbers selected are then input into a terminal. The terminal operator will then issue a MyDaY ticket, via the terminal, which contains the selected set or sets of numbers, each of which constitutes a MyDaY game play. Each play costs one dollar (\$1.00). MyDaY tickets shall only be purchased from a terminal operated by the Division or a Lottery Game Retailer.

1501.04 Invalid Number Combinations. Players can only use day and month number combinations that are valid based on a standard twelve-month calendar.

1501.04A Invalid months and days that would be rejected include:

1501.04A(1) 02-30 (February 30);

1501.04A(2) 02-31 (February 31);

1501.04A(3) 04-31 (April 31);

1501.04A(4) 06-31 (June 31);

1501.04A(5) 09-31 (September 31); and

1501.04A(6) 11-31 (November 31).

1501.04B. The month and day combination 02-29 (February 29), which occurs only on a leap year, will be allowed for every year that is divisible by 4, including 00.

1501.05 Claims. A MyDaY ticket (subject to the validation requirements set forth in REG-1505 Ticket Validation) shall be the only proof of a MyDaY game play or plays and the submission of a winning MyDaY ticket to the Division or an authorized Lottery Game Retailer shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of a MyDaY ticket purchase or of numbers selected.

1501.06 Cancellations Prohibited. A MyDaY ticket may not be voided or canceled by returning the MyDaY ticket to the selling Lottery Game Retailer or to the Division, including MyDaY tickets which are printed in error. No MyDaY ticket which can be used to claim a prize shall be returned to the Division for credit. MyDaY tickets accepted by Lottery Game Retailers as returned tickets will remain charged to the Lottery Game Retailer’s account. Ownership of the tickets is in bearer form until the ticket is signed on the reverse side. Lottery Game Retailers who accept unsigned MyDaY tickets as returned tickets and who cannot re-sell those tickets shall be deemed the owners of those tickets.

1501.07 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the MyDaY game play or plays and other data printed on the MyDaY ticket. The placing of MyDaY plays is done at the player’s

own risk through the on-line terminal operator who is acting on behalf of the player in entering the MyDaY play or plays.

1501.08 Entry of Number Combinations. MyDaY number combinations may only be entered manually by a terminal operator using the on-line lottery terminal keypad (including a computer “Quick Pick”) or selected by means of a play slip provided by the Division. A Lottery Game Retailer 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 Division. Lottery Game Retailers shall not permit any device to be connected to an on-line lottery terminal to enter MyDaY plays, except as approved by the Division. Any play slip number selection by a method other than hand-marked by the player, as well as any resulting ticket, shall be invalid.

1501.09 Drawings. The Division shall determine the times and places of all MyDaY drawings and shall announce the results to the public

1501.09A The Director shall determine the time for the end of sales prior to the drawings. On-line terminals shall not process on-line tickets for that drawing after the time established by the Director.

1501.09B The Division 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.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1502 PRIZE POOL

1502.01 Prize Pool. Prize pool funding for MyDaY shall be established in the MyDaY game rules and shall consist of a percentage of each drawing period’s sales as established in the MyDaY game rules. Any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or expended in a manner as directed by the Director in accordance with the State Lottery Act.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1503 PROBABILITY OF WINNING

1503.01 Probability of Winning. Approximate odds for each prize category shall be set out in the MyDaY game rules. All prizes shall be cash prizes, even if determined on a pari-mutuel basis.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1504 PRIZE PAYMENT

1504.01 Cash Prize Payments. All prizes shall be paid in cash by either a Lottery Game Retailer or at a Division claim center.

1504.02 Guaranteed Prizes. The Division may make changes in the prize structure, prize pool, probability of winning or the probable distribution of winners when the Division finds that it would be in the best interest of the MyDaY game and the Division.

1504.03 Limited to Highest Prize Won. The holder of a winning MyDaY ticket may win only one prize per game play area in connection with the winning MyDaY numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

1504.04 Prize Claim Period. Prize claims shall be submitted within the period set forth in REG-602.05.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1505 TICKET VALIDATION

1505.01 Ticket Validation. To be a valid MyDaY ticket and eligible to receive a prize, a ticket shall satisfy all the requirements set forth in REG-603 for validation of winning tickets and any other validation requirements adopted by the Division in the Confidential Nebraska Lottery Minimum Game Security Standards. The Division shall not be responsible for MyDaY tickets which are altered in any manner.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1506 TICKET RESPONSIBILITY

1506.01 Signature. Until such time as a signature is placed upon a MyDaY ticket in the area designated for signature, a MyDaY ticket shall be deemed owned by the ticket bearer. When a signature is placed on the MyDaY ticket in the place designated, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled (to any prize attributable thereto, except as provided in these regulations.

1506.02 Lost or Stolen Tickets. The Division shall not be responsible for lost or stolen MyDaY tickets.

(Sections 9-803 and 9-823, R.R.S. 2012. October 7, 2015.)

REG-1507 INELIGIBLE PLAYERS

1507.01 General. A MyDaY ticket or share shall not be purchased by, and a prize won by any such MyDaY ticket or share shall not be paid to:

1507.01A A contractor or consultant under agreement with the Division to review the Division audit and security procedures;

1507.01B An employee of an independent accounting firm under contract with the Division to observe drawings or site operations and actually assigned to the Division account and all partners, shareholders, or owners in the local office of the firm; or

1507.01C An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in Reg-1507.01A, 1507.01B and 1507.01C and residing in the same household.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

REG-1508 APPLICABLE LAW

1508.01 General. In purchasing a ticket, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division.

(Sections 9-803 and 9-823, R.R.S. 2012. September 16, 2008.)

CHAPTER 1600-MEGA MILLIONS

REG-1601 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. Capitalized terms used but not defined in these regulations shall have the meanings ascribed to them in the MUSL Agreement.

1601.01 “Advertised Jackpot Prize” means the estimated annuitized Grand Prize amount as determined by the Mega Millions Lotteries. The “Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in Regulation 1605.01A.

1601.02 “Agent” or “retailer” means a person or entity authorized by a Party Lottery to sell lottery tickets plays.

1601. Reserved.

1601.04 “Computer pick” means the random selection of game play number indicia by the authorized retailer computer that appear on a ticket or a ticketless transaction and are played by a player in the game.

1601.05 “Finance Committee” shall mean the committee established by the Multi-State Lottery Association Agreement.

1601.06 Reserved.

1601.07 “Game ticket” or “ticket” means the physical evidence of play, which is a ticket produced in a manner that meets the specifications required by the Division and these regulations and is a physical representation of the play or plays sold to the player or is a properly and validly registered ticketless transaction play.

1601.08 “Jackpot” or “Jackpot Prize” shall refer to the top prize in the Mega Millions game.

1601.09 Reserved.

1601.10 “Mega Millions Lotteries” means those lotteries that have reached a Cross-Sell Agreement with MUSL for the selling of the Mega Millions Game. The Mega Millions Lotteries determine the Mega Millions Advertised Jackpot Prize amount (cash value option and annuity).

1601.11 “MUSL” means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

1601.12 “MUSL Board” means the governing body of MUSL which is comprised of the chief executive officer of each Party Lottery.

1601.13 “Participating Lottery” or “Selling Lottery” means a state lottery or lottery of a political subdivision or entity which is participating in selling the Mega Millions game and which may be a member of either MUSL or the Mega Millions Lotteries. In context, “Selling Lottery” may refer to the Participating Lottery which sold a particular Play.

1601.14 “Party lottery” means a state lottery or lottery of a political subdivision or entity which has joined MUSL, and, in the context of these Product Group Rules, which has joined in selling the games offered by the MUSL Mega Millions Product Group.

1601.15 “Play ” or “Bet” means a physical or electronic means by which a player communicates their intended play selection to the retailer as defined and approved by the Selling Lottery. As used in these regulations “Play or “Bet” means a Mega Millions Play.

1601.16 “Product Group” means the group of lotteries which has joined together to offer the Mega Millions lottery game product pursuant to the terms of its Cross-Selling Agreement with the Mega Millions Lotteries, the Multi-State Lottery Agreement and the Product Group’s own rules.

1601.17 “Play Slip” or “Bet Slip” means a physical or electronic means by which a player communicates their intended play selection to the retailer as defined and approved by the Selling Lottery. A Play Slip or a Bet Slip is not a ticket or Ticketless Transaction.

1601.18 “Set Prize,” also referred to as a “low tier prize,” means all other prizes except the Mega Millions Jackpot Prize and, except in instances outlined in these regulations, will be equal to the prize amount established by the Mega Millions Lotteries.

1601.19 “Terminal” means a device that meets all security and definitional requirements of these Rules, the MUSL Rules, and the Selling Lottery, and which is authorized by a Party Lottery to function in an on-line, interactive mode with the lottery's computer gaming system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets, and transmitting reports. The term Terminal does not include a Retailer Controlled Selling Device such as a cash register or player provided point of sale device such as a smartphone.

1601.20 “Winning numbers” means the game results selected during an official drawing event performed by the Mega Millions Lotteries and are used to determine winning plays for the Mega Millions game contained on a game ticket or ticketless transaction.

1601.21 Reserved.

1601.22 “Exchange ticket” means a reprinted Game ticket produced by a Terminal in an authorized manner to replace a Game ticket which is presented by a player that has been purchased for play in multiple consecutive drawings per REG 1602.07 and that was validated before the last drawing appearing on the Game ticket.

1601.23 “Mega Millions Plays” or “MM Plays” shall refer to Plays purchased for the Mega Millions game.

1601.24 “Multiplier” means a unique number that is automatically selected by computer software according to the frequency set forth in REG 1604 for each Mega Millions Play.

1601.25 “Registered Play” means a wager where the play is owned by a specifically identified player at the time of purchase through a means acceptable by the Selling Lottery, and which is recorded on the Selling Lottery’s computer gaming system and internal control system.

1601.26 “Request for Play” means a sale that is not immediately recorded on the CGS but is recorded onto the CGS at some future time prior to a draw event.

1601.27 “Retailer Controlled Selling Device” means a device that is not a Terminal, and which is controlled by a retailer for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports. Examples of Retailer Controlled Selling Devices include cash registers. Retailer Controlled Selling Devices must meet all security requirements of the Selling Lottery, these Rules, and the MUSL Rules. Retailer Controlled Selling Devices do not include player provided point of sale devices such as smartphones.

1601.28 “Returned Plays” means Plays accepted by the Selling Lottery as returned to the Selling Lottery because the Play is misprinted, illegible, printed in error, a future Plays affected by changes in game features by the Selling Lottery, or is returned due to game cancellations.

1601.29 “Ticketless Transaction” means any Play that is not printed on paper that meets the anti-counterfeiting requirements described in the MUSL Rules. Examples of Ticketless Transactions include internet, subscription, and other types of Registered Plays. All Ticketless Transactions must be Registered Plays. Any Play sold through a Terminal or Retailer Controlled Selling Device, but which is a Registered Play requiring confirmation of the player’s identity upon prize redemption shall be considered a Ticketless Transaction even when a receipt, summation, or recognition of purchase is printed by or through the device.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1602 GAME DESCRIPTION.

1602.01 General. Mega Millions is a five (5) out of seventy (70) plus one (1) out of twenty-four (24) lottery game, drawn on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with these regulations or by a default election made in accordance with these regulations, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a pari-mutuel basis. Except as provided in these regulations, all other prizes are paid on a single payment basis. Mega Millions winning numbers applicable to determine Mega Millions prizes will be determined on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries. During the drawing event, five (5) numbers shall be drawn from the first field of seventy (70) numbers, and one (1) number shall be drawn from the second field of twenty-four (24) numbers, which shall constitute the Winning Numbers. For each Mega Millions Play, a Multiplier will be automatically selected by computer software according to the frequency set forth in REG 1604.

To play Mega Millions, a player shall select (or computer pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from a second field of one (1) through twenty-four (24), which shall constitute the Winning Numbers. For each Mega Millions Play, a Multiplier will be automatically selected by computer software according to the frequency set forth in REG 1604.

Plays can be purchased for five dollars (U.S. \$5.00), including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery Play. Plays may be purchased from a Lottery Game Retailer in a manner as approved by the Party Lottery and in accordance with MUSL Rules.

1602.02 Claims. A ticket (subject to the validation requirements set forth REG 1606, Play Validation) or properly registered ticketless transaction shall be the only proof of a Play or Plays and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected. A terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of play purchase or of numbers selected.

1602.03 Cancelled Plays Prohibited. In all instances, a Play recorded on the CGS may not be voided or cancelled by returning the ticket or Ticketless Transaction to the Agent, Retailer, or Selling Lottery.

1602.04 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 or contained in the ticketless transaction. The placing of plays is done at the player's own risk through the agent who is acting on behalf of the player in entering the play or plays. The purchaser of a Play or Plays through a Ticketless Transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

1602.05 Entry of Plays. Plays may only be entered as approved by the Party Lottery by such means as approved by the Party Lottery. Retailers shall not permit the use of Play Slips that are not allowed by the Party Lottery. Retailers shall not permit any device to enter Plays, except as allowed by the Party Lottery.

1602.06 Registration of Plays. Ticketless Transaction Plays may be registered with the Party Lottery in a manner that meets the requirements established by the Product Group, the Party Lottery, and the MUSL Rules.

1602.07 Maximum Purchase. Except for a ticketless transaction play purchase when the Party Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change, the maximum number of consecutive drawings on a single play purchase is twenty-six (26). The maximum number of consecutive drawings encompassed by a ticketless transaction play purchase when the Party Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change is one hundred four (104).

1602.08 In the event of a matrix change, the Party Lottery which issued the ticketless transaction will determine the option(s) available to ticketless transaction purchasers from that Party Lottery for the balance of plays remaining on their ticketless transaction effective as of the date of the matrix change.

1602.09 Request for Plays. A lottery may conduct future sales through a subscription or other system that does not immediately record such sales on the CGS. At the sole discretion of the lottery, authorized sales through a subscription or other system which are recorded as a Request for Play(s) may be cancelled at any time prior to the time the Request for Play is recorded as a Play on the CGS. If a Request for Play is cancelled, it shall not be recorded on the CGS. Per REG 1602.03 above, once a Play is recorded on the CGS, it may not be cancelled at any time. Any cancelled Request for Play shall not be included in sales data report to MUSL. Examples of permitted cancellation of subscription “Request for Plays” include game matrix changes, price changes, modification of the game features, player enrollment in self-exclusion programs, and other circumstances as determined by the Selling Lottery.

1602.10 Exchange Tickets. When an Exchange Ticket is produced, the Exchange Ticket shall contain the exact same game Play, including the unique Multiplier(s) for each remaining Play, from the validated Game ticket that is being exchanged. Once Printed, an Exchange Ticket serves as a Game ticket and is subject to the requirements and provisions applicable to Game tickets.

1602.11 Incomplete Transaction Plays. Incomplete Transaction Plays occur when a Retailer begins a Play transaction as requested by a Player, and the Play is registered on the CGS, but the transaction is terminated prior to transferring Play confirmation to the Player, there is no attempt to print the Play on a ticket, and the Player has not paid for the Play. Transaction terminations may be due to time sensitivities, communications loss or other issues as accepted by the Selling Lottery.

A Selling Lottery, at its sole discretion, may develop an approved method of managing Incomplete Transaction Plays, subject to these provisions.

Incomplete Transaction Plays may not be cancelled or voided.

The Selling Lottery must remit its required prize pool contributions on any Incomplete Transaction Plays. At its sole discretion, the Selling Lottery may develop a method of compensation Retailers for Incomplete Transaction Plays if Retailers are required to reimburse Selling Lotteries for prize pool contributions.

Incomplete Transaction Plays may not be claimed for a prize by any person or entity including the Retailer. Any prize which cannot be claimed as a prize under this Rule but would otherwise have been won on an Incomplete Transaction Play shall become an unclaimed prize at the end of the prize claim period of the drawing for which the Incomplete Transaction Play was recorded. Incomplete Transaction Plays are not reported to MUSL.

1602.12 Stolen Plays. Plays reported as stolen from a Retailer that have been recovered cannot be accepted by the Selling Lottery as Returned Plays. Selling Lotteries may compensate a Retailer for the loss from theft if a Selling Lottery, solely at its discretion, determines to assume such a loss, but Stolen Plays cannot be cancelled or voided. Ownership of Stolen Plays, and whether any party has a right to claim prizes on Stolen Plays, shall be determined by the rules of the Selling Lottery.

1602.13 Game Cancellation. In the event of cancellation of the Game by the Product Group prior to the occurrence of all drawings for which Plays have been sold and recorded on the CGS, the Selling Lottery may provide a refund mechanism for such Plays to the Players, and the Selling Lottery shall not be required to remit its prize pool contributions for any such refunded Plays.

1602.14 Selling Lotteries Prohibited from Claiming Prizes. Selling Lotteries and lottery officials are prohibited from claiming any prizes on Plays that are owned by the Selling Lottery through “Returned Plays” or otherwise acquired and held by the Selling Lottery. Any prizes that would otherwise be won on Plays owned or acquired by Selling Lotteries shall become unclaimed prizes at the end of the prize claim period.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1603 MEGA MILLIONS PRIZE POOL

1603.01 Prize Pool. The prize pool for all prize categories offered by the Party Lotteries shall consist of up to fifty-five percent (55%) of each drawing period's sales inclusive of any specific statutorily-mandated tax of a Party Lottery to be included in the price of a lottery play, and inclusive of contributions to the prize pool accounts and prize reserve accounts, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed Annuity Mega Millions Jackpot Prize as may be required by REG 1605.01A.

1603.02 Prize Pool Accounts and Prize Reserve Accounts. The Product Group shall set the contribution rates to the prize pool and prize reserve accounts established by this rule.

1603.02A The following prize reserve accounts for the Mega Millions game are hereby established:

1603.02A(1) The Prize Reserve Account (PRA) which is used to guarantee the payment of valid, but unanticipated, Mega Millions Jackpot Prize claims that may result from a system error or other reason to fund deficiencies in the Set Aside Pool, and to fund pari-mutuel prize deficiencies as defined and limited in REG 1603.03C(1).

1603.02B The following prize pool accounts for the Mega Millions game is hereby established:

1603.02B(1) The Mega Millions Jackpot Prize Pool (JPP), which is used to fund the current Mega Millions Jackpot Prize;

1603.02B(2) The Set Prize Pool (SPP), which is used to fund the Set or Lower Tier Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize categories. The Source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability; and

1603.02B(3) The Set-Aside Pool (SAP) which is used to fund the payment of the awarded minimum starting annuity Mega Millions Jackpot Prizes and the minimum annuity Mega Millions Jackpot Prize increase, if necessary (subject to the limitations in these regulations), as may be set by the Product Group. The source of the SAP funding shall accumulate from the difference between the amount in the Mega Millions Jackpot Prize Pool at the time of a Mega Millions Jackpot Prize win and the amount needed to fund Mega Millions Jackpot Prize payments as determined by the Mega Millions lotteries.

1603.02C The maximum balance amounts and balance limit triggers are subject to review by the MUSL Finance Committee. The Finance Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Mega Millions Jackpot Prize win.

1603.02D The contribution rate to the JPP shall be 27.6305% of sales.

An amount up to five percent (5%) of a Party Lottery's sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery play, shall be added to a Party Lottery's Mega Millions Prize Pool contribution and placed in trust in one or more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group.

1603.02E The Product Group may determine to expend all or a portion of the funds in the prize pools (except the JPP) and the prize reserve accounts:

1603.02E(1) For the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and

1603.02E(2) For the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the MUSL Board's Finance & Audit Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

1603.02F The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

1603.02G A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account.

1603.02H Any amount remaining in the Mega Millions prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pool and prize reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

1603.03 Expected Prize Payout Percentages. The Mega Millions Jackpot Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in these regulations, all other prizes awarded shall be paid as single payment prizes. All prize payouts are made with expected prize payout percentages as set out in these regulations, although the prize payout percentages per draw may vary.

1603.03A The Mega Millions Jackpot Prize amount shall be divided equally by the number of Plays winning the Mega Millions Jackpot Prize.

1603.03B SPP (for payment of single prizes of one million dollars (\$1,000,000) 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.

1603.03C Pari-mutuel Prize Determinations.

1603.03C(1) Except as otherwise provided for in REG 1603.03C(3), if the total of the Mega Millions Set Prizes (as multiplied by the respective Megaplier multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Mega Millions Set Prizes, then the amount needed to fund the Mega Millions Set Prizes, including Megaplier prizes, awarded shall be drawn from the following sources, in the following order:

1603.03C(1)(i) The amount available in the SPP, if any; and

1603.03C(1)(ii) An amount from the PRA, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.

1603.03C(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes, including Megaplier prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, including Megaplier 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 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 MM plays in

proportion to their respective prize percentages. Mega Millions prizes will be reduced by the same percentage.

1603.03C(3) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-mutuel prize amount for all lotteries selling the game at the lesser of the independently calculated prize amounts. The California Lottery is excluded from the Participating Lotteries' pari-mutuel prize calculations.

1603.03D Except as may be required by REG1605.01A, the official advertised Mega Millions Jackpot Prize annuity amount is subject to change based on sales forecasts and/or actual sales.

1603.03E Subject to the laws and rules governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions Lotteries, for promotional purposes. Such change shall be announced by Mega Millions Lotteries.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1604 PROBABILITY OF WINNING.

1604.01 Prize Structure. The matrix of 5/70 and 1/24 with an anticipated prize payout is shown below and applies to all Product Group members with respect to the Jackpot Prize and will apply for all Product Group members for the second through ninth level prizes. Due to jurisdictional law requirements, the California State Lottery shall separately determine the second through ninth level prizes and Multiplier prize values on a pari-mutuel basis.

The following table sets forth the probability of winning and the probable distribution of winners in and among each prize category for MM Plays sold by Party Lotteries, based upon the total number of possible combinations in Mega Millions. All prize payouts are made with the following expected prize payout percentages, which does not include any additional amount contributed to or held in prize reserves, although the prize payout percentages per draw may vary:

Match Field 1	Match Field 2	Odds	Prize Category	Base Prize	% of Sales	% of Payout
5	1	290,472,336.0000	Jackpot	Jackpot	27.6305%	55.2610%
5	0	12,629,232.0000	Second	\$1,000,000	4.7509%	9.5018%
4	1	893,761.0338	Third	\$10,000	0.6713 %	1.3426%
4	0	38,859.1754	Fourth	\$500	0.7720 %	1.5440%
3	1	13,965.0162	Fifth	\$200	0.8593%	1.7186%
3	0	607.1746	Sixth	\$10	0.9882%	1.9764%
2	1	665.0008	Seventh	\$10	0.9023%	1.8046%
1	1	85.8066	Eighth	\$7	4.8947%	9.7894%
0	1	35.1666	Ninth	\$5	8.5308%	17.0616%
TOTAL		1:23.0737			50.0000%	100.0000%

1604.02 Multiplier Frequency and Odds. The Multiplier shall apply to all prize levels except the Jackpot Prize. The Multiplier increases non-Jackpot Prizes by two times, three times, four times, five times, or ten times the prize won. The Multiplier shall print directly on, or be applied to each Play on a Ticket. Multipliers may repeat due to the frequency and limited Multiplier levels as shown below.

The Multiplier frequency and odds are as follows:

Multiplier	Frequency	Odds
10X	1	32.0000
5X	2	16.0000
4X	4	8.0000
3X	10	3.2000
2X	15	2.1333
Field of:	32*	3.00**

*Total of frequencies

**Average Multiplier value

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG 1605 PRIZE PAYMENT

1605.01 Jackpot Prize for Mega Millions Game

1605.01A The prize money allocated from the current Mega Millions prize pool for the Mega Millions Jackpot Prize, will be divided equally among all Mega Millions Jackpot Prize winning plays in all participating lotteries. The annuity Grand Prize will be paid in 30 graduated annual installments. Mega Millions Jackpot Prizes won shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions lotteries. The Mega Millions lotteries may set a minimum guaranteed annuity Mega Millions Jackpot Prize amount, which shall be advertised by the selling lotteries as the starting guaranteed annuity Mega Millions Jackpot Prize amount.

1605.01B Rollover. If in any Mega Millions drawing there are no Mega Millions plays which qualify for the Mega Millions Jackpot Prize category, the portion of the prize fund allocated to such Mega Millions Jackpot Prize category shall remain in the Mega Millions Jackpot prize category and be added to the amount allocated for the Mega Millions Jackpot Prize category in the next consecutive Mega Millions drawing.

1605.01C Unless there is a different Party Lottery rule, Mega Millions Jackpot Prizes shall be paid, at the election of the player made no later than 60 days after the player becomes entitled to the prize as determined by the Selling Lottery, with either a per winner annuity or cash payment. If the payment election 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 made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.

1605.01D In the event of a prize winner who selects the cash value option, the prize winner's share will be paid in a single payment upon completion of internal validation procedures. The cash option amount shall be determined by the Mega Millions Lotteries.

If an annuity is chosen, it shall be paid in 30 consecutive graduated annual installments by the Party Lottery that sold the winning Mega Millions Ticket, with graduated annual installments as defined by the Mega Millions Lotteries in the Mega Millions Finance and Operations Procedures. The initial payment shall be paid upon completion of internal validation procedures. The subsequent 29 payments shall be paid annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.

1605.01F If individual shares of the Mega Millions Jackpot Prize Pool funds 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 Mega Millions Jackpot Prize pool.

1605.01G Funds for the initial payment of an annuitized prize or cash value option prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If necessary, when

the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full cash value option amount may be delayed pending receipt of funds from the Party Lotteries or other lotteries participating in the Mega Millions Game. A Party Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

1605.01H In the event of the death of a lottery winner sold by a Party Lottery during the annuity payment period, unless prohibited by Nebraska law, the MUSL Finance Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning play, and subject to federal, state, district or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance Committee or the Product Group.

1605.02 Prize Payments. All prizes shall be paid through the Selling Lottery that sold the winning play(s), and at the discretion of the Selling Lottery may be paid by cash, checks, warrants or electronic transfers. A Party Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central office.

1605.03 Prizes Rounded. Annuitized payments of the Mega Millions Jackpot Prize or a share of the Mega Millions Jackpot Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Mega Millions Jackpot Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which, under these regulations, 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.

1605.04 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 pool for the following drawing.

1605.05 Limited to Highest Prize Won. The holder of a winning play may win only one prize per play in connection with the winning numbers drawn for the Mega Millions Game and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liability for a Mega Millions prize is discharged upon payment of a prize claim.

1605.06 Prize Claim Period. Prize claims shall be submitted within 180 days after the drawing date.

1605.07 If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse against MUSL or any other Party Lottery for payment of that prize.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1606 TICKET VALIDATION.

1606.01 To be a valid play and eligible to receive a prize, a play's ticket or ticketless transaction shall satisfy all the requirements established by the Division for validation of winning plays sold through its computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. MUSL and the Division shall not be responsible for plays which are altered in any manner.

1606.02 Under no circumstances will a claim be paid any prize without an official Mega Millions ticket matching all game play, serial number and other validation data residing in the selling Party Lottery's computer gaming system and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize. Prize payment(s) will be made only after completion of the internal validation procedures and administrative processes as required by these Rules and the requirements of the Party Lottery that sold the winning Play.

1606.03 In addition to the above, in order to be deemed a valid, winning Play, unless the Play is a validly registered Ticketless Transaction, all of the following conditions must be met:

1606.03A The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket;

1606.03B The ticket must be intact;

1606.03C The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;

1606.03D The ticket must not be counterfeit or an exact duplicate of another winning ticket;

1606.03E The ticket must have been issued by an authorized Mega Millions agent, sales agent or retailer on official paper stock of the selling Party Lottery and printed on paper in compliance with MUSL Rule 2;

1606.03F The ticket must not have been stolen, to the knowledge of the Party Lottery;

1606.03G The ticket must be submitted for payment in accordance with the Amended and Restated Mega Millions Official Game Rules;

1606.03H The play data must have been recorded on the CGS prior to the drawing and the play data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Party Lottery's computer gaming system, the wager accepted by the Party Lottery's computer gaming system shall be the valid wager;

1606.03I The player or computer pick number selections, validation data and the drawing date(s) of an apparent winning play must appear on the official file of winning plays, and a play with that exact data must not have been previously paid;

1606.03J The play must not be misregistered, and the play's ticket must not be defectively printed or printed or produced in error to an extent that it cannot be processed by the Party Lottery that issued the play;

1606.03K The play must pass validation tests using a minimum of three (3) of the five (5) validation methods as defined in the Mega Millions Finance and Operations Procedures for Mega Millions. In addition, the play must pass all other confidential security checks of the Party Lottery that issued the Play;

1606.03L In submitting a Mega Millions play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the Party Lottery that issued the play;

1606.03M There must not be any other breach of these Mega Millions Rules in relation to the play, which, in the opinion of the Director of the Party Lottery justifies invalidation.

1606.03N The play must be submitted to the Party Lottery that issued it.

1606.03O Ticketless transaction Plays must meet the validation requirements of the Party Lottery that issued the Play.

1606.04 A-Play submitted for validation which fails any of the preceding validation conditions shall be considered void, subject to the following determinations:

1606.04A In all cases of doubt, the determination of the Division shall be final and binding; however, the Division may, at its sole option, replace an invalid play with a Play of equivalent sales price;

1606.04B In the event a defective ticket is purchased or in the event the Division determines to adjust an error, the Claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Play of equivalent sales price;

1606.04C In the event a Play is not paid by the Division, and a dispute occurs as to whether the play is a winning play, the Division may, at its option, replace the play as provided in subsection (A) of this subsection. This shall be the sole and exclusive remedy of the Claimant unless the laws or regulations of governing the Party Lottery provide for further administrative review.

1606.05 Invalid Tickets. The Division shall not be responsible for misdelivered, unrecorded, counterfeit, misregistered, mutilated, tampered with, defectively printed or produced, or damaged tickets, or any other ticket that fails to meet the requirements of these regulations.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1607 PLAY RESPONSIBILITY.

1607.01 Prize Claims. Prize claim procedures shall be governed by the rules of the selling lottery. MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.

1607.02 Multiple Signatures. The manner of payment of prizes for valid winning tickets bearing multiple signatures, marks or names shall be determined by the Division in its sole discretion, and any decision shall be final and binding.

1607.03 Stolen Plays. The Product Group, MUSL, and the Division shall not be responsible for lost or stolen plays.

1607.04 Ticketless Transactions. A Ticketless Transaction Play is only valid when registered with the lottery in accordance with lottery rules, these Rules, and the MUSL Rules. The person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction play. A receipt for a Ticketless Transaction Play has no value and is not evidence of a Play.

1607.05 The Division shall not be responsible to a prize claimant for Mega Millions tickets redeemed in error by a Mega Millions agent, sales agent, or retailer.

1607.06 Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Mega Millions draw. Neither MUSL nor the Division is responsible for Mega Millions winning numbers reported in error.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1608 INELIGIBLE PLAYERS.

1608.01 A play or share for a MUSL game issued by MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such play or share shall not be paid to:

1608.01A A MUSL employee, officer, or director;

1608.01B A contractor or consultant under agreement with MUSL to review the MUSL audit and security procedures;

1608.01C 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

1608.01D An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in REG-1608.01A, 1608.01B, and 1608.01C and residing in the same household.

1608.02 A person under nineteen years of age shall not purchase a Mega Millions ticket. No Mega Millions ticket shall be sold to any person under nineteen years of age. No person shall purchase a Mega Millions ticket for a person under nineteen years of age, and no person shall purchase a Mega Millions ticket for the benefit of a person under nineteen years of age.

1608.03 No Mega Millions ticket shall be sold, and no prize shall be awarded to the Tax Commissioner, the Director, or any employee of the Division or any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of the Tax Commissioner, the Director, or any employee of the Division. Prizes shall not be paid to any other persons prohibited from playing Mega Millions in Nebraska by rules, governing law, or by any contract executed by the Division.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1609 APPLICABLE LAW.

1609.01 In purchasing a play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Party Lottery where the play was purchased, and by directives and determinations of the Director of that Party Lottery. Additionally, the player shall be bound to all applicable provisions in the Mega Millions Finance and Operations Procedures for Mega Millions established by the Mega Millions Lotteries.

A prize claimant agrees, as its sole and exclusive remedy, that claims arising out of a Play can only be pursued against the Party Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Mega Millions Play was purchased and only against the Party Lottery that issued the Play. No claim shall be made against any other Party Lottery or against MUSL.

Nothing in these regulations shall be construed as a waiver of any defense or claim the Party Lottery which issued the Play, any other Party Lottery, or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against a Party Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Party Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these regulations or the laws, rules, regulations, procedures, and decisions of that Party Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these regulations and the laws, rules, regulations, procedures, and decisions of that Party Lottery.

(Sections 9-803 and 9-823, R.R.S. 2012. January 14, 2010.)

REG-1610 RESERVED.

CHAPTER 1700-LUCKY FOR LIFE

REG-1701 DEFINITIONS

1701.01 Annuitized Payment Option means the manner in which the game's top prize or second prize (also referred to as "Prize Level #2") may be paid in equal payments or installments. The annuitized payment option shall be calculated on an annual basis. The schedule of payments shall be at the Division's discretion.

1701.02 Cash Option means the manner in which the game's top prize, or second prize may be paid upon the winner's request in one (1) single cash payment as an alternative to the annuitized payment option.

1701.03 Claimant or Winner means any natural person or legal entity submitting a winning game ticket within the required prize claim period. A claimant may be the purchaser, the natural person or legal entity named on the back of a signed game ticket, the bearer of an unsigned game ticket, or any other natural person or legal entity who may seek entitlement to a prize payment in accordance with these regulations and the State Lottery Act. No claimant may assert rights different from the rights acquired by the original purchaser at the time of purchase.

1701.04 Clearinghouse Lottery refers to the party lottery or other duly authorized entity who is responsible for collecting and transferring prize payouts on behalf of all party lotteries.

1701.05 Drawing means the formal process of selecting winning numbers that conclusively determines the number of winners for each prize level of the game.

1701.06 Game means the Lucky for Life game as further described in this chapter.

1701.07 Game Play(s) means that area of the lay slip, also known as a "board" or "panel", which contains two (2) sets of numbered squares to be marked by the player: the first set (Matrix 1) contains forty-eight (48) squares, numbered one (1) through forty-eight (48) inclusive; the second set (Matrix 2) contains eighteen (18) squares, numbered one (1) through eighteen (18) inclusive.

1701.08 Game Ticket or Ticket means acceptable evidence of game play that represents a wager accepted by the Division's on-line gaming system, meeting the specifications defined in these regulations.

1701.09 Liability Limit means a pre-established threshold, as determined in advance by the New England Lottery Directors, for paying top prize, second prize, and third prize claims, as set forth more fully in REG-1704.

1701.10 Lucky Ball means the number selected from the second set of numbers (Matrix 2) in each drawing.

1701.11 Lump Sum Cash Payment means the manner in which the game's top prize or second prize is required to be paid in one (1) single cash payment when the liability limit is exceeded and no annuitized payment option is available, as set forth more fully in REG-1704.

1701.12 On-Line Gaming System means a computer wagering system used by the Division to issue and validate game tickets.

1701.13 Play, Bet, or Wager means the six (6) numbers (the first five (5) from a field of forty-eight (48) numbers inclusive, and one (1) Lucky Ball number from a field of eighteen (18) numbers inclusive) that appear on a game ticket as a single-lettered play, board or panel, and are played by a player in the game.

1701.14 Play Slip, Selection Slip, Bet Slip, or any other such term means a card used in marking a player's game plays or wagers.

1701.15 Player or Purchaser means a person who buys game tickets in accordance with these regulations and the State Lottery Act.

1701.16 Published Notice means the notice of the amount of and changes to the cash option as posted on the game's website.

1701.17 Quick Pick means the random selection of six (6) numbers resulting in a wager accepted by the Division's on-line gaming system.

1701.18 Selling Lottery means the party lottery that sold a winning game ticket.

1701.19 Set Prize means a pre-determined prize payout that is paid in a single cash payment. Set prizes shall apply to the lowest eight (8) prize levels. They may also apply, however, to the top prize and second prize under certain conditions, as set forth more fully in REG-1704.

1701.20 Split Prize means a pre-determined set prize payout that is divided equally among the number of winning game tickets of a prize level. Split prizes shall only apply to the game's top prize, the Prize Level #2 and Prize Level #3 winners under certain conditions, as set forth more fully in REG-1704.

1701.21 Top Prize means the game's first prize.

1701.22 Winning Numbers means the six (6) numbers (the first five (5) numbers from Matrix 1 and the one (1) Lucky Ball number from Matrix 2) that are randomly selected in each Drawing and used to determine the winning plays contained on a game ticket.

REG-1702 DRAWING PROCEDURES.

The New England Lottery Directors shall establish the drawing procedures for the game drawings, including a drawing problem resolution mechanism. All drawings shall be open to the public and shall be witnessed by an Independent Certified Public Accounting Firm. Any equipment used in a drawing shall be inspected at least annually. All drawings, including pre and post-test drawings, shall be recorded.

REG-1703 GAME DESCRIPTION AND CHARACTERISTICS.

1703.01 Game Designation. For purposes of identification, the Game shall have a designated game number in the on-line gaming system.

1703.02 Game Design. The game is a double matrix-style game, drawn each day, in which players select five (5) unique numbers in the Matrix 1 from one (1) to forty-eight (48) inclusive, plus one (1) Lucky Ball number in the Matrix 2 from one (1) to eighteen (18) inclusive. The additional number may be the same as one (1) of the first five (5) numbers selected by the player.

1703.03 Game Purchases. Game tickets must be purchased from a Terminal at a Lottery Game Retailer or by such other means as approved by the Division.

1703.04 Ticket Format. Game tickets shall include, but not be limited to, the player's number selections, game logo or game name, ticket cost, terminal number, barcode, quick pick (if selected), replay (if selected), serial number, and drawing date. Multi-draw tickets shall visibly show the beginning and ending drawing dates. Game tickets may also include the selling date, time stamp and any additional information required by the Division.

1703.05 Ticket Price.

1703.05A Uniform Price. Each game ticket shall be sold at retail for the price set in these regulations.

1703.05B Taxes. The game ticket price shall include all the applicable taxes that the Division is required to collect.

1703.05C Cost Per Play. Game Tickets may be purchased for two dollars (\$2.00) per play, or multiples thereof, in accordance with these regulations. The Player receives one (1) play for each two-dollar (\$2.00) wager.

1703.05D Promotions. A promotion shall mean marketing or advertising intended to increase sales of game tickets (excluding multi-draw tickets) through a discount or rebate. The Division may offer game tickets through promotions without approval of the other party lotteries for a period not to exceed ninety (90) days in any six (6) month period, as long as advance notification of five (5) days is provided to all party lotteries of the terms and dates of the promotional offering.

1703.05E Tickets as Prizes. The Division may offer game tickets as a prize in any other lottery game after advising all other party lotteries of the terms and dates of such action.

1703.05F Contribution to Prize Pool. The Division may offer game tickets as a prize or as part of an authorized promotion provided that all such game ticket sales are assessed and reported to the prize pool at the full gross sales amount.

1703.06 Play Restrictions and Play Styles.

1703.06A Game Tickets may not be sold to or purchased by persons under the age of nineteen (19).

1703.06B Game tickets may not be claimed by, redeemed for, or paid to persons under the age of nineteen (19) years.

1703.06C Game tickets shall not be purchased, and a prize won by any such game ticket or share, either in whole or in part, shall not be paid to:

1703.06C(1) A Division employee;

1703.06C(2) A contractor or consultant under agreement with the Division to perform audit and security procedures;

1703.06C(3) An employee of the independent certified public accounting firm under contract with any New England Lottery to oversee game drawings;

1703.06C(4) An employee of the Division's on-line vendor;

1703.06C(5) An employee of the Division's advertising and marketing vendor;

1703.06C(6) An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in REG-1706C(1) through 1706C(5) residing as a member of the same household in the principal place of residence of any such person.

1703.06C(7) Those persons designated herein as ineligible to play the game in one (1) party lottery jurisdiction shall also be ineligible to play the game in all other party lottery jurisdictions selling the game.

1703.07 Ticket Cancellations Prohibited. A game ticket may not be cancelled or voided by returning the game ticket to the Lottery Game Retailer or to the Division. A game ticket accepted by a Lottery Game Retailer as a returned ticket and that cannot be resold shall be deemed as owned by the bearer thereof. This prohibition also applies to a game ticket that may be printed in error by the Lottery Game Retailer. No game ticket, or physical portion thereof, that may be used to claim a prize, shall be returned to any Party Lottery for credit.

1703.08 Game Sell-Out Prohibited. The Division shall not directly and knowingly sell a game ticket or combination of game tickets to any natural person or legal entity that would guarantee such purchaser a top prize or second prize win.

1703.09 Claims. A game ticket, subject to the validation requirements as detailed in REG-1705, shall be the only proof of a game play (or plays) and the submission of a winning game ticket to the Division or a Lottery Game Retailer shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of a game ticket purchase or of numbers selected. Under no circumstances will a claim be paid for a top prize or second prize without a winning game ticket.

1703.10 Use of Play Slips. Players may submit a completed play slip to any Lottery Game Retailer to have issued a game ticket. Play slips shall be available at no cost to the purchaser and shall have no pecuniary or prize value or constitute evidence of a purchase or number selections. The use of facsimiles of play slips, copies of play slips, or other materials that are inserted into a terminal's play slip reader that are not printed or approved by the Division, are not permitted. Lottery Game Retailers shall not permit any device to be connected to a Terminal to enter Plays, except as approved by the Division.

1703.11 Manual Entry. Players may convey their number selections to any Lottery Game Retailer to obtain a Game Ticket. Such number selections shall be manually entered into the terminal by the Lottery Game Retailer.

1703.12 Quick Pick. Players may either request a quick pick game ticket from a Lottery Game Retailer or may select the quick pick option on the play slip and submit the completed play slip to any Lottery Game Retailer.

1703.13 Limited to Highest Prize Won. In connection with the winning numbers drawn, the holder of a winning game ticket may win only one (1) prize per play, board, or panel, and shall be entitled only to the prize won by those numbers in the highest matching prize category.

1703.14 Prize Claim Period. Prize claims must be made within one hundred eighty (180) days after the drawing date.

1703.15 Player Responsibility. It shall be the player's sole responsibility to verify the accuracy of the game play (or plays), and the other data printed on the game ticket.

1703.16 Prize Payments. The Division may not pay prizes that are less than or more than the prize amounts established in these regulations. The prize won cannot be indirectly increased by promotions or retailer activity.

REG-1704 PRIZE LIABILITY LIMITS

1704.01 There are 10 prize levels in the Game.

1704.02 Except as provided in these regulations, the top prize (Prize Level #1) shall be annuitized and based on a top prize liability that will be split equally among the number of winning game tickets. A top prize winner may request the cash option, the amount of which is to be established by the New England Lotteries for a defined period of drawings. Notice of the amount of and changes to the cash option shall be posted on the game's website. Under certain circumstances, as detailed below, the top prize is required to be paid in a single lump sum cash payment, and no annuitized payment option is available.

1704.02A One (1) Top Prize Winner. If there is one (1) top prize winner, the annuitized prize value will be seven thousand dollars (\$7,000.00) per week for life. As an alternative to the annuitized payment option, the top prize winner may request the top prize cash option in the amount set forth in the published notice.

1704.02B Two (2) to Fourteen (14) Top Prize Winners. If there are between two (2) and fourteen (14) top prize winners, the annuitized payment option, based on an annuitized prize value of seven thousand dollars (\$7,000.00) per week, will be divided by the total number of top prize winners. The minimum annuitized prize value for this

category will be five hundred dollars (\$500.00) a week for life. Any of these two (2) to fourteen (14) top prize winners may choose the cash option as an alternative to the annuitized payment option. The amount of the cash option for this category will be the amount of the top prize cash option set forth in the published notice divided by the total number of top prize winners. The minimum cash option for this category will be the amount set forth in the published notice.

1704.02C Fifteen (15) or more Top Prize Winners. If there are fifteen (15) or more top prize winners, the top prize liability shall be capped at seven million one hundred twenty-five thousand dollars (\$7,125,000.00), shall be split equally among all top prize winners, and shall be paid in one (1) lump sum cash payment, without an annuitized payment option. The minimum prize value for this category shall not be less than any lower tier prize paid in that respective drawing.

1704.02D The winner(s) of the top prize who does not request the cash option shall be paid their appropriate top prize share on a weekly basis, or according to such other schedule of payments set at the discretion of the Division, as permitted in REG-1705, for a minimum period of twenty (20) years. The first top prize payment will be made after the prize is claimed at the Division.

1704.02E Measuring Life. For a single wager, the measuring life of a top prize winner used to determine the duration over which the top prize is paid, shall be the natural life of the individual determined by the Division to be the top prize winner. If the top prize under a single wager is being claimed by more than one (1) natural person or by a legal entity, the measuring life for that top prize winner shall be twenty (20) years.

1704.02F If paid in a lump sum cash payment, top prize amounts will be rounded to the nearest whole dollar.

1704.03 Except as provided in these regulations, the second prize (Prize Level #2) winner will be paid twenty-five thousand dollars (\$25,000.00) a year for life. A second prize winner may request the cash option, the amount of which is to be established by the New England Lotteries for a defined period of drawings. Notice of the amount of and changes to the cash option shall be posted on the game's website. Under certain circumstances, as detailed below, the second prize is required to be paid in a single lump sum cash payment, and no annuitized payment option is available.

1704.03A One (1) to Twenty (20) Second Prize Winners. If there are between one (1) and twenty (20) second prize winner(s), the annuitized prize value will be twenty-five thousand dollars (\$25,000.00) per year for life. Any of these one (1) to twenty (20) second prize winner(s) may choose the second prize cash option as an alternative to the annuitized payment option. The amount of the cash option for this category will be set forth in the published notice.

1704.03B Twenty-one (21) or more Second Prize Winners. If there are twenty-one (21) or more second prize winners, the second prize liability shall be capped at nine million four hundred thousand dollars (\$9,400,000.00), shall be split equally among all second prize winners, and shall be paid in a single lump sum cash payment, without an annuitized payment option. The minimum prize value for this category shall not be less than any lower tier prize paid in that respective drawing.

1704.03C The winner(s) of the second prize who does not request the cash option shall be paid their appropriate second prize share on an annual basis for a minimum period of twenty (20) years. The initial second prize payment will be made after the prize is claimed at the Division; subsequent second prize payments will be made annually thereafter.

1704.03D Measuring Life. For a single wager, the measuring life of a second prize winner used to determine the duration over which the second prize is paid, shall be the natural life of the individual determined by the Division to be the second prize winner. If the second prize under a single wager is being claimed by more than one (1) natural person or by a legal entity, the measuring life for that second prize winner shall be twenty (20) years.

1704.03E If paid in a Lump Sum Cash Payment, second prize amounts will be rounded to the nearest whole dollar.

1704.04 Except as provided in these regulations, the third prize (Prize Level #3) will be paid as a five thousand dollar (\$5,000.00) set prize. If there are more than one thousand (1,000) winners of this prize level in a single drawing, the total prize liability of five million dollars (\$5,000,000.00) (\$5,000.00 x 1,000) will be split equally among the winners. Under no circumstances, however, will the value of the third prize fall below a minimum prize value of two hundred dollars (\$200.00) per winner, regardless of the number of winners. Third prizes will be rounded to the nearest whole dollar and paid in a single cash payment.

1704.05 Entitlement to Prizes by Winners. The holder of a winning game ticket shall be entitled only to the prize won by matching the winning numbers in the highest matching prize category.

REG-1705 PAYMENT OF PRIZES.

All winning game tickets, including the top prize and second prize winning tickets, shall be paid in accordance with these regulations and the State Lottery Act. To be a valid Game Ticket and eligible to receive a prize, a winning Game Ticket shall satisfy all the Division's requirements for the validation of winning game tickets sold through the on-line gaming system, and any other requirements adopted by the New England Lottery Directors. The Division shall not be responsible for game tickets that are altered in any manner.

REG-1706 PRIZE LEVELS.

1706.01 Top Prize and Second Prize Payments. Except in the case of a cash option payment or a lump sum cash payment paid in accordance with these regulations, annuitized prize payments shall be made for the measuring life of the top prize or second prize winner. All annuitized payments shall be made for a minimum of twenty (20) years. The measuring life as defined in REG-1704.02E and 1704.03D shall be determined at the time the top prize or second prize is claimed. In the event annuitized prize payments are assigned by a court order, the measuring life at the time the top prize or second prize was claimed shall not change and limit or extend the number of annuitized payments due any assignee, court-ordered or otherwise.

1706.02 Death of Top Prize or Second Prize Winner. In the event of the death of a top prize or second prize winner during the annuity payment period, the Division, with the approval of the New England Lotteries, upon petition of the estate of that winner (the "Estate") to the Division, and subject to Nebraska law, may accelerate the payment of all the remaining lottery proceeds to the Estate, subject to the following:

1706.02A If the annuitant dies during the annuity payment period but before the guaranteed prize amount has been paid, the Estate shall receive the remaining payments equal to the minimum guaranteed prize amount.

1706.02B If the annuitant dies during the annuity payment period but after the minimum guaranteed prize amount has been paid, all payments shall stop.

1706.03 Low-Tier Set Prize Payments. All low tier set prizes (all prizes except the top prize and second prize) shall be paid in one (1) single cash payment through the Selling Lottery that sold the winning game ticket(s). Prizes shall be rounded to the nearest whole dollar. A Selling Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the Clearinghouse Lottery.

REG-1707 STATISTICAL INFORMATION.

The following table details the Game's statistical information.

Odds of Winning, Prize Payouts and Prize Funding as a Percentage of Sales.

Prize Level	Matches Matrix #1 (5 of 48)	Matches Matrix #2 (1 of 18)	Odds of Winning 1/	Prize	% of Sales
1	5	1	30,821,472	\$7,000/Week for Life*	10.2201
2	5	0	1,813,027.765	\$25,000/Year for Life*	11.6380
3	4	1	143,355.684	\$5,000*	1.7439
4	4	0	8,432.687	\$200	1.1859
5	3	1	3,413.231	\$150	2.1973
6	3	0	200.778	\$20	4.9806
7	2	1	249.749	\$25	5.0050
8	2	0	14.691	\$3	10.2103
9	1	1	49.950	\$6	6.0060
10	0	1	32.019	\$4	6.2463
				Total Payout	59.4335%

*Prize amounts may be split if there are multiple Winners, in accordance with the provisions established in REG-1704. Split prizes may be lower than the published prize amounts.

CHAPTER 1800-LOTTO AMERICA

REG-1801 DEFINITIONS

1801.01 "Advertised Grand Prize" shall mean the estimated annuitized Grand Prize amount as determined by the MUSL Central Office by use of the MUSL Annuity Factor and communicated through the Selling Lotteries prior to the Grand Prize drawing. The "Advertised Grand Prize" is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in 1805.05.

1801.02 "Agent" or "retailer" means a person or entity authorized by a Selling Lottery to sell lottery Plays.

1801.03 "All Star Bonus" shall refer to the All Star Bonus Multiplier Promotion described in Part III of these Rules.

1801.04 "All Star Bonus Multiplier Plays" shall refer to Plays purchases as part of the All Star Bonus Multiplier Promotion described in Part III of these Rules.

1801.05 A "Drawing" refers collectively to the formal draw event for randomly selecting the winning indicia that determine the number of winners for each prize level of the Lotto America game. Winning indicia include the Winning Numbers for the Lotto America game.

1801.06 "Computer pick" means the random selection of indicia by the computer that appear on a ticket or ticketless transaction and are played by a player in the game.

1801.07 "Game ticket" or "Ticket" means the physical evidence of a Play, printed on paper that meets the play and security data required by the Selling Lottery, these Game Rules, and the MUSL Rules that allow redemption of a prize. Tickets may be printed by terminals or Retailer Controlled Selling Devices as permitted by these Rules and the Selling Lottery. Affected MUSL Rules include, but are not limited to MUSL Rules 2.14, 2.20, and 2.21.

1801.08 "Grand Prize" shall refer to the top prize in the Lotto America game.

1801.09 "Lotto America Play" shall refer to Plays purchased as part of the Lotto America game but shall not include All Star Bonus Multiplier Plays.

1801.10 "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

1801.11 "MUSL Annuity Factor" shall mean the annuity factor as determined by the MUSL central office through a method approved by the MUSL Finance Committee and which is used as described in these Rules.

1801.12 "MUSL Board" means the governing body of the MUSL, which is comprised of the chief executive officer of each Party Lottery.

26.13 "MUSL Finance Committee" shall mean the committee of that name established by the MUSL Board.

1801.14 "Participating Lottery" or "Selling Lottery" means a state lottery or lottery of a political subdivision or entity that is authorized by the Product Group to participate in selling the Lotto America game.

1801.15 "Party Lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity that has joined the MUSL, and, in the context of these Product Group Rules, that is authorized to sell the Lotto America game.

1801.16 "Play" or "Bet" means a set of six (6) numbers, the first five (5) from a field of fifty-two (52) numbers and the last one (1) from a field of ten (10) numbers, that appear on a ticket or communicated in a ticketless transaction as a single lettered selection and are to be played by a player in the Lotto America game. Each Play is played separately in determining matches to winning numbers and prize amounts. As used in these Rules, unless otherwise specifically indicated, "Play" or "Bet" includes Lotto America Plays. "All Star Bonus Multiplier Plays" are separately described in Part III of these Rules.

1801.17 "Play Slip" or "Bet Slip" means a physical or electronic means by which a player communicates their intended Play selection to the retailer as defined and approved by the Selling Lottery. A Play Slip or Bet Slip is not a ticket or ticketless transaction.

1801.18 "Product Group" or "the Group" means a group of lotteries that has joined together to offer a product pursuant to the terms of the Multi-State Lottery Agreement and the Product Group's own rules.

1801.19 "Registered Play" means a wager where the play is owned by a specifically identified player through a means acceptable to the Selling Lottery, and which is recorded on the Selling Lottery's computer gaming system and the internal control system.

1801.20 "Retailer Controlled Selling Device" means a device which is not a Terminal and which is controlled by a retailer for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports. Examples of Retailer Controlled Selling Devices include cash registers. Retailer Controlled Selling Devices must meet all security requirements of the Selling Lottery, these Rules and the MUSL Rules. Retailer Controlled Selling Devices do not include player provided point of sale devices such as smartphones.

1801.21 "Set Prize", also referred to as "low-tier prize", means all other prizes, except the Grand Prize, and, except in instances outlined in these rules, will be equal to the prize amount established by the Product Group for the prize level.

1801.22 "Terminal" means a device that meets all security and definitional requirements of these Rules, the MUSL Rules and the Selling Lottery, and which is authorized by a Selling Lottery to function in an on-line, interactive mode with the computer gaming system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including making purchases, validating tickets, and transmitting reports. The term Terminal does not include a Retailer Controlled Selling Device such as a cash register or player provided point of sale device such as a smartphone.

1801.23 "Ticketless Transaction" means any Play that is not printed on paper that meets the anti-counterfeiting requirements described in the MUSL Rules. Examples of Ticketless Transactions include internet, subscription, and other types of Registered Plays. All Ticketless Transactions must be Registered Plays. Any Play sold through a Terminal or Retailer Controlled Selling Device, but which is a Registered Play requiring confirmation of the player's identity upon prize redemption shall be considered a Ticketless Transaction even when a receipt, summation, or recognition of purchase is printed by or through the device.

1801.24 "Winning Numbers" means the indicia randomly selected during a Drawing event which shall be used to determine winning Plays for the Lotto America game contained on a game ticket or ticketless transaction.

REG 1802 GAME DESCRIPTION

1802.01 General. Lotto America is a five (5) out of fifty-two (52) plus one (1) out of ten (10) numbers lottery game drawn on days as determined by the Lotto America Product Group as part of the Lotto America drawing event, which pays the Grand Prize, at the election of the player made in accordance with these rules or by a default election made in accordance with these rules, either on an annuitized pari-mutuel basis or as a single lump sum payment of the total funding held in the Grand Prize Pool (GPP) for the winning drawing on a pari-mutuel basis. Except as provided in these rules, all other prizes are paid on a single payment basis.

Lotto America Winning Numbers applicable to determine Lotto America prizes will be determined in the Lotto America Drawing event. During the drawing event, five (5) numbers shall be drawn from the first set of fifty-two (52) numbers, and one (1) number shall be drawn from the second set of ten (10) numbers, which shall constitute the Winning Numbers.

To play Lotto America, a player shall select (or computer pick) five (5) different numbers, from one (1) through fifty-two (52) and one (1) additional number from one (1) through ten (10). The additional number may be the same as one of the first five numbers selected by the player.

Plays can be purchased for one dollar (U.S. \$1.00), including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a Play.

Plays may be purchased from a Selling Lottery approved sales outlet in a manner as approved by the Selling Lottery and in accordance with MUSL Rules

1802.02 Proof of Play. Unless otherwise permitted by a selling lottery, a ticket (subject to the validation requirements set forth in Rule 31 (Ticket Validation)) or properly registered ticketless transaction shall be the only proof of a game Play or Plays and the submission of a winning ticket to the issuing Selling Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip, paper receipt, or printed summation of a Play printed by a Terminal which is not a ticket has no pecuniary or prize value and shall not constitute evidence of a Play purchase or numbers selected.

1802.03 Cancellations. Plays Non-Cancellable. In all instances, a Play recorded on the CGS may not be voided or cancelled by returning the ticket or ticketless transaction to the Retailer or to the Selling Lottery, including tickets that are misprinted, illegible, printed in error, or for any reason not successfully transferred to an authorized selling entity or Player.

1802.04 Request for Plays. A lottery may conduct future sales through a subscription or other system that does not immediately record such sales on the CGS. A "Request for Play" is a sale that is not immediately recorded on the CGS but is instead recorded onto the CGS at some future time prior to a draw event. At the sole discretion of the lottery, authorized sales through a subscription or other system that has not been recorded on the CGS (instead recorded as "Request for Plays"), may be cancelled at any time prior to the time the Request for Play is recorded as a Play on the CGS. If a Request for Play is cancelled, it shall not be recorded on the CGS.

Per 1802.03, once a Play is recorded on the CGS, it may not be cancelled at any time. Any cancelled “Request for Play” shall not be included in sales data report to MUSL. Examples of instances when Selling Lotteries may desire to permit cancellation of subscription “Request for Plays” include game matrix changes, price changes, modifications of game features, players who enroll in self-exclusion programs, and other circumstances as may be determined by the Selling Lottery.

1802.05. Returned Plays. To promote good Player or Retailer relations, a Selling Lottery, at its sole discretion, may develop a method of compensating Players or Retailers for Plays accepted by the Selling Lottery as returned to the Selling Lottery (“Returned Plays”) that are misprinted, illegible, printed in error, future Plays affected by changes in game features by the Selling Lottery or due to game cancellations.

Returned Plays may not be cancelled or voided. Returned Plays are not reported to MUSL.

The Selling Lottery must remit its required prize pool contributions on all Plays accepted as returned Plays by the Selling Lottery.

Returned Plays may not be claimed for a prize by any person or entity, including the Selling Lottery. Any prizes which would have been won on a Returned Play shall become an unclaimed prize at the end of the prize claim period.

1802.06 Incomplete Transaction Plays. Incomplete Transaction Plays occur when a Retailer begins a Play transaction as requested by a Player, and the Play is registered on the CGS, but the transaction is terminated prior to transferring Play confirmation to the Player, there is no attempt to print the Play on a ticket, and the Player has not paid for the Play. Transaction terminations may be due to time sensitivities, communications loss or other issues as accepted by the Selling Lottery.

A Selling Lottery, at its sole discretion, may develop an approved method of managing Incomplete Transaction Plays, subject to these provisions.

Incomplete Transaction Plays may not be cancelled or voided.

The Selling Lottery must remit its required prize pool contributions on any Incomplete Transaction Plays. At its sole discretion, the Selling Lottery may reimburse retailers for incomplete transaction plays.

Incomplete Transaction Plays may not be claimed for a prize by any person or entity including the Retailer. Any prize which cannot be claimed as a prize under this Rule but would otherwise have been won on an Incomplete Transaction Play shall become an unclaimed prize at the end of the prize claim period of the drawing for which the Incomplete Transaction Play was recorded. Incomplete Transaction Plays are not reported to MUSL.

1802.07 Stolen Plays. Plays reported as stolen from a Retailer that have been recovered cannot be accepted by the Selling Lottery as Returned Plays.

Selling Lotteries may compensate a Retailer for the loss from theft if a Selling Lottery, solely at its discretion, determines to assume such a loss, but Stolen Plays cannot be cancelled or voided.

Ownership of Stolen Plays, and whether any party has a right to claim prizes on Stolen Plays, shall be determined by the rules of the Selling Lottery.

1802.08 Game Cancellation. In the event of cancellation of the Game by the Product Group prior to the occurrence of all drawings for which Plays have been sold and recorded on the CGS, the Selling Lottery may provide a refund mechanism for such Plays to the Players, and the Selling Lottery shall not be required to remit its prize pool contributions for any such refunded Plays.

1802.09 Selling Lotteries Prohibited from Claiming Prizes. Selling Lotteries and lottery officials are prohibited from claiming any prizes on Plays that are owned by the Selling Lottery through “Returned Plays” or otherwise acquired

and held by the Selling Lottery. Any prizes that would otherwise be won on Plays owned or acquired by Selling Lotteries shall become unclaimed prizes at the end of the prize claim period.

1802.10 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 or contained in a ticketless transaction. The placing of Plays is done at the player's own risk through the agent that is acting on behalf of the player in entering the Play or Plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

1802.11 Entry of Plays. Plays may only be entered as approved by the Selling Lottery by such means as approved by the Selling Lottery. Retailers shall not permit the use of Play Slips that are not allowed by the Selling Lottery. Retailers shall not permit any device to enter Plays, except as allowed by the Selling Lottery.

1802.12 Registration of Plays. Ticketless transaction Plays may be registered with the Selling Lottery in a manner that meets the requirements established by the Product Group, the Selling Lottery, and the MUSL Rules.

1802.13 Maximum Purchase. Except for a ticketless transaction Play purchase when the Selling Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change, the maximum number of consecutive drawings on a single Play purchase is thirty-nine (39). The maximum number of consecutive drawings encompassed by a ticketless transaction Play purchase when the Selling Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change is one hundred four (104).

1802.14 Matrix Change. In the event of a matrix change, the Selling Lottery that issued the ticketless transaction will determine the option(s) available to ticketless transaction purchasers from that Selling Lottery for the balance of Plays remaining on their ticketless transactions effective as of the date of the matrix change.

1803 PRIZE POOL

1803.01 Lotto America Prize Pool. The prize pool for all prize categories shall consist of fifty percent (50%) of each drawing period's sales, inclusive of any specific statutorily mandated tax of a Selling Lottery to be included in the price of a Play and including contributions to the prize pool accounts and prize reserve accounts but may be higher or lower based upon the number of winners at each prize level.

1803.02 Lotto America Prize Pool Accounts and Prize Reserve Accounts. The Product Group shall set the contribution rates to the prize pools and prize reserve accounts established by this Rule.

1803.02A The following prize reserve accounts for the Lotto America Game are hereby established:

1803.02A(1) 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; to fund deficiencies in low-tier Lotto America Game prize payments (subject to the limitations of these rules); deficiencies in guaranteed Grand Prize funding if approved by the Group; and for other purposes as established in these Rules.

1803.02B The following prize pools for the Lotto America Game are hereby established:

1803.02B(1) The Grand Prize Pool (GPP), which is used to fund the current Grand Prize;

1803.02B(2) The Set Prize Pool (SPP), which is used to fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The Source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability;

1803.02B(3) The Set-Aside Pool (SAP) which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and the minimum annuity Grand Prize increase, if necessary (subject to the limitations in these rules), as may be set by the Product Group; and

1803.02B(4) the Grand Prize Carry Forward Pool (GPCFP), which is used to fund the starting minimum annuity Grand Prize, as may be set by the Product Group, if such funds are available, and if sales do not fund the Grand Prize.

1803.02C The above prize reserve accounts, the GPCFP and the SAP may have maximum balance amounts or balance limiter triggers that are set by the Product Group.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance Committee. The Finance Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

1803.02D The maximum contribution rate to the GPP shall be 46.1982% of the prize pool (23.0991% of sales).

An amount of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in one or more prize pools and prize reserve accounts held by the Product Group (hereinafter the "prize pool and reserve deduction") at any time that the SAP and Party Lottery's share of the prize reserve accounts(s) is below the amounts designated by the Product Group.

An additional amount up to twenty percent (20%) of a Party Lottery's sales shall be deducted from a Party Lottery's GPP contribution and placed in trust in the GPCFP to be held by the Product Group at a time as determined by the Product Group.

1803.02E The Product Group may determine to expend all or a portion of the funds in the Lotto America Game prize pools and the prize reserve accounts (except the GPP and the GPCFP):

1803.02E(1) for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and

1803.02E(2) for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance Committee or that Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.

The GPCFP may only be expended to fund the starting minimum annuity Grand Prize.

1803.02F The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.

1803.02G A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from the reserve account, a Party Lottery is responsible for its full sales percentage share of the account, whether or not it has been paid in full.

1803.02H Any amount remaining in the Lotto America Game prize pools or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pools

and prize reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

1803.03 Expected Lotto America Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in these rules, all other prizes awarded shall be paid as single payment prizes. All prize payouts are made with the following expected prize payout percentages, which does not include any amount contributed to or held in prize reserves, although the prize payout percentages per draw may vary:

Number of Matches Per Play	Prize Payment	Prize Pool Percentage Allocated to Prize	Sales Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize Value	46.1983*%	23.0991%
All five (5) of first set and none of second set.	\$20,000.00	1.3852%	0.6926%
Any four (4) of first set plus one (1) of second set.	\$1,000.00	1.8084%	0.9042%
Any four (4) of first set and none of second set.	\$100.00	1.6276%	0.8138%
Any three (3) of first set plus one (1) of second set.	\$20.00	1.6637%	0.8319%
Any three (3) of first set and none of second set.	\$5.00	3.7434%	1.8717%
Any two (2) of first set plus one (1) of second set.	\$5.00	6.2390%	3.1195%
Any one (1) of first set plus one (1) of second set.	\$2.00	13.7259%	6.8629%
None of first set plus one (1) of second set.	\$2.00	23.6085%	11.8043%
The maximum contribution rate may include contributions to reserves and pools as described in these rules			

1803.03A The prize money allocated to the Grand Prize category shall be divided equally by the number of Lotto America Plays winning the Grand Prize; see Rule 30.1(b) and (c).

1803.03B Lotto America Game Set Prize Pool (SPP) Carried Forward. The SPP (for single payment prizes of twenty thousand dollars (\$20,000) 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.

1803.03C Pari-Mutuel Lotto America Game Prize Determinations.

1803.03C(1) If the total of the Lotto America Game Set Prizes (as multiplied by the All Star Bonus Multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Lotto America Game Set Prizes, then the amount needed to fund the Lotto America Game Set prizes, including All Star Bonus Multiplier prizes, awarded shall be drawn from the following sources, in the following order:

1803.03C(1)(i) the amount available in the SPP and the All Star Bonus Multiplier Prize Pool; and, if needed,

1803.03C(1)(ii) an amount from the PRA, if available, not to exceed the balance of the PRA; and, if needed,

1803.03C(1)(iii) an amount from the SAP, if available, not to exceed the balance of that pool.

1803.03C(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes, including the All Star Bonus Multiplier prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, including All Star Bonus Multiplier 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, including All Star Bonus Multiplier prizes, 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. Lotto America Game and All Star Bonus Multiplier prizes will be reduced by the same percentage.

1804 PROBABILITY OF WINNING

1804.01 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 Lotto America Game.

Probability Distribution			
Number of Matches Per Play	Winners	Probability	Probable/Set Prize Amount
All five (5) of first set plus one (1) of second set	1	1: 25,989,600.0000	Grand Prize*
All five (5) of first set and none of second set	9	1:2,887,733.3333	\$20,000.00
Any four (4) of first set plus one (1) of second set	235	1: 110,594.0425	\$1,000.00
Any four (4) of first set and none of second set	2,115	1: 12,288.2269	\$100.00
Any three (3) of first set plus one (1) of second set	10,810	1:2,404.2183	\$20.00
Any three (3) of first set and none of second set	97,290	1: 267.1353	\$5.00
Any two (2) of first set plus one (1) of second set	162,150	1:160.2812	\$5.00
Any one (1) of first set plus one (1) of second set	891,825	1:29.1420	\$2.00
None of first set plus one (1) of second set	1,533,939	1:16.9430	\$2.00
Overall		1: 9.6315	

* The Grand Prize amount does not include the PRA deduction or any other deductions, if any.

1805 PRIZE PAYMENT

1805.01 Grand Prize

1805.01A Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per-winner annuity or single lump sum payment (which may be referred to as the "cash option"). If the payment election is not made at the time of purchase and is not made by the player within sixty (60) days after the player becomes entitled to the prize, then the prize shall be paid as an annuity prize. 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 option payment at the election of the player until the expiration of sixty (60) days after the player becomes entitled to the prize. The election to take the cash option payment may be made at the time of the prize claim or within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn, or otherwise changed.

1805.01B Shares of the Grand Prize shall be determined by dividing the funds available in the GPP equally among all winning Plays of the Grand Prize. Winner(s) who elect a cash option payment shall be paid their share(s) in a single lump sum payment. The annuitized option prize shall be determined by multiplying a winner's share of the Grand Prize pool by a process as approved by the MUSL Board. Neither MUSL nor the Selling Lotteries shall be responsible or liable for changes in the advertised or estimated annuity prize amount and the actual amount purchased after the prize payment method is actually known to MUSL.

1805.01C In certain instances announced by the Product Group, the Grand Prize shall be a guaranteed amount and shall be determined pursuant to Rule 30.5.

1805.01D If individual shares of the GPP funds held to fund an annuity is less than \$250,000.00, the Product Group, in its sole discretion, may elect to pay the winners their share of the funds held in the GPP.

1805.01E All annuitized prizes shall be paid annually in thirty (30) payments with the initial payment being made in a single payment, to be followed by twenty-nine (29) payments funded by the annuity. Except as may be controlled by a Selling Lottery's governing statute, all annuitized prizes shall be paid annually in thirty (30) graduated payments (increasing each year) by a rate as determined by the Product Group. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000.00). 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 Grand Prize Winning Numbers.

1805.01F Funds for the initial payment of an annuitized prize or the lump sum cash option prize payment shall be made available by MUSL for payment by the Selling 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 option amount may be delayed pending receipt of funds from the Selling Lotteries. A paying lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

1805.01G If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.

1805.01H In the event of the death of a lottery winner during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district, or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to

the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance Committee or the Product Group.

1805.01I If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.

1805.02 Lotto America Prize Payments. All prizes (whether described as "cash" payment prizes or otherwise) shall be paid through the Selling Lottery that sold the winning Play(s) and at the discretion of the Selling Lottery that sold the winning Play(s) may be paid by cash, check, warrant or electronic transfer.

A Selling Lottery may begin paying low-tier prizes after receiving authorization to pay from the MUSL central office.

1805.03 Lotto America 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 payment to the winner or winners.

Prizes other than the Grand Prize, which, under these rules, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

1805.04 Lotto America Prize 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 GPP for the following drawing.

1805.05 Funding of Guaranteed Lotto America Prizes.

1805.05A The Product Group may offer guaranteed minimum Grand Prize amounts or minimum increases in the Grand Prize amount between drawings or make other changes in the allocation of prize money where the Product Group finds that it would be in the best interest of the game. The Product Group may delegate this responsibility to the Chair and Vice Chair of the Product Group.

1805.05B If a minimum Grand Prize amount or a minimum increase in the Grand Prize amount between drawings is offered by the Product Group, then the Grand Prize shares shall be determined as follows:

1805.05B(1) If there are multiple Grand Prize winners during a single drawing, each selecting the annuitized option prize, then a winner's share of the guaranteed annuitized Grand Prize shall be determined by dividing the guaranteed annuitized Grand Prize by the number of winning Plays;

1805.05B(2) If there are multiple Grand Prize winners during a single drawing and at least one (1) of the Grand Prize winners has elected the annuitized option prize, then the MUSL Annuity Factor shall be utilized to determine the cash pool. The cost of the annuitized prize(s) will be determined at the time the annuity is purchased through a process as approved by the MUSL Board;

1805.05B(3) If no winner of the Grand Prize during a single drawing has elected the annuitized option prize, then the amount of cash in the GPP shall be an amount equal to the guaranteed annuitized amount divided by the MUSL Annuity Factor.

1805.05C Minimum guaranteed prizes or increases may be waived by the Product Group if the alternate funding mechanism set out in Rule 28.3(c) becomes necessary. The Product Group may delegate authority to the Chair and Vice Chair of the Group to determine the guaranteed minimum Grand Prize amounts and minimum increases in the Grand Prize amount.

1805.06 Limited to Highest Lotto America Prize Won. The holder of a winning Play may win only one (1) prize per Play in connection with the Winning Numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liabilities for a Lotto America prize are discharged upon payment of a prize claim.

1805.07 **Lotto America Prize Claim Period.** Prize claims shall be submitted within the period set by the Selling Lottery selling the Play. If no such claim period is established, all Grand Prize claims shall be made within one hundred eighty (180) days after the drawing date.

1806 PLAY VALIDATION

1806.01 To be a valid Play and eligible to receive a prize, a Play's ticket or ticketless transaction shall satisfy all the requirements established by a Party Lottery for validation of winning Plays sold through its computer gaming system and any other validation requirements adopted by the Product Group, the MUSL Board, and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Party Lotteries shall not be responsible for tickets or ticketless transactions that are altered in any manner.

1806.02 Under no circumstances will a claim be paid for any prize without an official Lotto America ticket (or validly registered ticketless transaction) matching all game Play, serial number and other validation data residing in the selling Party Lottery's computer gaming system and unless otherwise permitted by the selling Party Lottery such ticket (or validly registered ticketless transaction) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.

1806.03 In addition to the above, in order to be deemed a valid, winning Play, unless the Play is a validly registered ticketless transaction, all of the following conditions must be met:

1806.03A The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket;

1806.03B The ticket must be intact;

1806.03C The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;

1806.03D The ticket must not be counterfeit or an exact duplicate of another winning ticket;

1806.03E The ticket must have been issued by an authorized sales agent, or retailer of the selling Party Lottery and printed on paper in compliance with MUSL Rule 2;

1806.03F The ticket must not have been stolen, to the knowledge of the Party Lottery;

1806.03G The Play data must have been recorded on the computer gaming system prior to the drawing and the Play data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the Party Lottery's computer gaming system, the wager accepted by the Party Lottery's computer gaming system shall be the valid wager;

1806.03H The player or computer pick number selections, validation data and the drawing date(s) of an apparent winning Play must appear on the official file of winning Plays, and a Play with that exact data must not have been previously paid;

1806.03I The play must not be misregistered, and the Play's ticket must not be defectively printed or printed or produced in error to an extent that it cannot be processed by the Party Lottery that issued the Play;

1806.03J The Play must pass all confidential security checks of the Party Lottery that issued the Play;

1806.03K In submitting a Play for validation, the claimant agrees to abide by applicable laws, all rules and regulations, instructions, conditions and final decisions of the Director of the Party Lottery that issued the Play;

1806.03L There must not be any other breach of these Rules in relation to the Play that, in the opinion of the Director of the Party Lottery that issued the Play, justifies invalidation;

1806.03M The Play must be submitted to the Party Lottery that issued it;

1806.03N Ticketless transaction Plays must meet the validation requirements of the Party Lottery that issued the Play.

1806.04 A Play submitted for validation that fails any of the preceding validation conditions shall be considered void, subject to the following determinations:

1806.04A In all cases of doubt, the determination of the Party Lottery that sold the Play, shall be final and binding; however, the Party Lottery may, at its option, replace an invalid Play with a Play of equivalent sales price;

1806.04B In the event a defective ticket is purchased or in the event the Party Lottery determines to adjust an error, the Claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with a Play of equivalent sales price;

1806.04C In the event a Play is not paid by a Party Lottery, and a dispute occurs as to whether the Play is a winning Play, the Party Lottery may, at its option, replace the Play as provided in paragraph (a) of this subsection. This shall be the sole and exclusive remedy of the Claimant unless the laws or regulations governing the Party Lottery provide for further administrative review.

1807 PLAY RESPONSIBILITY

1807.01 Prize Claims. Prize claim procedures shall be governed by the rules of the Selling Lottery. The MUSL and the Selling Lotteries shall not be responsible for prizes that are not claimed following the proper procedures as determined by the selling lottery.

1807.02 Stolen Tickets. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen Plays.

1807.03 Ticketless Transactions. A Ticketless Transaction Play is only valid when registered with the lottery in accordance with lottery rules, these Rules, and the MUSL Rules. The person or, if permitted by the lottery rules, the persons registering the Play shall be the owner of the Ticketless Transaction Play. A receipt for a Ticketless Transaction Play has no value and is not evidence of a Play.

1807.04 Agent or Retailer Errors. The Party Lotteries shall not be responsible to a prize claimant for Plays redeemed in error by a selling agent or retailer.

1807.05 Audited Results. Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the draw. MUSL and the Party Lotteries are not responsible for winning numbers reported in error.

1808 INELIGIBLE PLAYERS

1808.01 A Play or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:

1808.01A a MUSL employee, officer, or director;

1808.01B a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures;

1808.01C 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

1808.01D 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.

1808.02 Those persons designated by a Selling Lottery's law as ineligible to play its games shall also be ineligible to play the Lotto America game in that Selling Lottery's jurisdiction.

1809 APPLICABLE LAW

1809.01 In purchasing a Play, or attempting to claim a prize, purchasers and prize claimants agree to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Selling Lottery where the Play was purchased, and by directives and determinations of the director of that Party Lottery.

A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a Lotto America Play can only be pursued against the Selling Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Lotto America Play was purchased and only against the Selling Lottery that issued the Play. No claim shall be made against any other Participating Lottery or against MUSL.

Nothing in these Rules shall be construed as a waiver of any defense or claim the Selling Lottery which issued the Play, any other Participating Lottery or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against the Selling Lottery, any other Participating Lottery or MUSL, or their respective officers, directors or employees.

All decisions made by a Selling Lottery, including the declaration of prizes and the payment thereof and the interpretation of Lotto America Rules, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Lotto America Play was issued.

Unless the laws, rules, regulations, procedures, and decisions of the Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these Rules or the laws, rules, regulations, procedures, and decisions of that Selling Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these Rules and the laws, rules, regulations, procedures, and decisions of that Selling Lottery.

1810 LOTTO AMERICA ALL STAR BONUS MULTIPLIER PROMOTION

1810.01 **Promotion Description.** The Lotto America All Star Bonus® Multiplier Option is a limited extension of the Lotto America Game and is conducted in accordance with the Lotto America Game Rules and other lottery rules applicable to the Lotto America Game except as may be amended herein. The Promotion will begin at a time announced by the Member Lottery and will continue until discontinued by the lottery. The Promotion will offer to the owners of a qualifying Play a chance to multiply the amount of any of the eight lump sum Set Prizes (the lump sum prizes normally paying \$2.00 to \$20,000.00) won in a drawing held during the Promotion. The Grand Prize is not a Set Prize and will not be multiplied. Participating lotteries may require purchase of the All Star Bonus Promotion when a player purchases a Lotto America Play.

1810.02 **Qualifying Play.** A qualifying Play is any single Lotto America Game Play for which the player pays an extra dollar for the All Start Bonus Multiplier option and that is recorded at the Member Lottery's computer gaming system as a qualifying All Star Bonus Multiplier Play.

1810.03 Prizes to be Multiplied. Except as provided in these rules, a qualifying Play which wins one of the Set Prizes will be multiplied by the number selected, either two, three, four or five (2, 3, 4 or 5), in a separate random All Star Bonus Multiplier drawing announced by the Product Group.

1810.04 Lotto America All Star Bonus Drawings. MUSL will conduct a separate random "All Star Bonus" drawing and announce the results. During each 2-5X Multiplier drawing a single number (2, 3, 4 or 5) shall be drawn. The Lotto America Game Group may modify the multiplier features for special promotions from time to time.

1810.05 Lotto America All Star Bonus Multiplier Prize Pool.

1810.05A The All Star Bonus Multiplier Prize Pool (MPP) is hereby created, and which is used to fund All Star Bonus Multiplier prizes. The MPP shall hold the temporary balances that may result from having fewer than expected winners in All Star Bonus Multiplier. The source of the MPP is the Party Lottery's weekly prize contributions less actual All Star Bonus Multiplier Prize liability.

1810.05B In total, fifty percent (50%) of each draw's sales shall be collected for the payment of prizes:

1810.05B(1) The expected payout for all prize categories shall consist of up to forty-nine and five hundred ninety-eight thousandths' percent (49.598%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket.

1810.05B(2) An additional four-hundred and two thousandths' percent (0.402%) of each drawing period's sales, including any specific statutorily mandated tax of a Selling Lottery to be included in the price of a lottery ticket, may be collected and placed in trust in the MPP, for the purpose of paying All Star Bonus Multiplier prizes.

1810.05C The prize payout percentage per draw may vary. The MPP 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 and held in the MPP.

1810.06 End of Game. Any amounts remaining in the MPP when the Product Group declares the end of this game shall be returned to the lotteries participating in the pool after the end of all claim periods of all Party Lotteries, carried forward to a replacement game, or otherwise expended in a manner as directed by the individual Members of the Product Group in accordance with jurisdiction law.

1810.07 Expected Prize Payout. Except as provided in these rules, all prizes awarded shall be paid as lump sum set prizes. Instead of the Lotto America Game set prize amounts, qualifying All Star Bonus Multiplier Plays will pay the amounts shown:

Lotto America Prize Amount Lotto America All Star Bonus Multiplier					
Set Prize Amount 5X 4X 3X 2X					
Match 5+0	\$20,000.00	\$100,000.00	\$80,000.00	\$60,000.00	\$40,000.00
Match 4+1	\$1,000.00	\$5,000.00	\$4,000.00	\$3,000.00	\$2,000.00
Match 4+0	\$100.00	\$500.00	\$400.00	\$300.00	\$200.00
Match 3+1	\$20.00	\$100.00	\$80.00	\$60.00	\$40.00
Match 3+0	\$5.00	\$25.00	\$20.00	\$15.00	\$10.00
Match 2+1	\$5.00	\$25.00	\$20.00	\$15.00	\$10.00
Match 1+1	\$2.00	\$10.00	\$8.00	\$6.00	\$4.00
Match 0+1	\$2.00	\$10.00	\$8.00	\$6.00	\$4.00

In certain rare instances, the Lotto America Game set prize amount may be less than the amount shown. In such case, the eight (8) lowest Power Play prizes will be changed to an amount announced after the draw. For example, if the Match 4+1 Lotto America set prize amount of \$1,000.00 becomes \$500.00 under the rules of the Lotto America game and a 5x multiplier is selected, then an All Star Bonus player winning that prize amount would win \$2,500.00.

1810.08 Probability of Prize Increase. The following table sets forth the probability of the various All Star Bonus Multiplier numbers being drawn during a single 2X-5X Multiplier drawing. The Group may elect to run limited promotions that may modify the multiplier features.

All Star Bonus Multiplier Probability of Prize Increase Chance of Occurrence

5X - Prize Won Times 5 3 in 32 9.3750%

4X - Prize Won Times 4 4 in 32 12.5000%

3X - Prize Won Times 3 10 in 32 31.2500%

2X - Prize Won Times 2 15 in 32 46.8750%

All Star Bonus Multiplier does not apply to the Grand Prize.

1810.09 Limitations on Payment of All Star Bonus Prizes.

1810.09A Pari-Mutuel Prizes—All Prize Amounts.

1810.09A(1) If the total of the original Lotto America Game set prizes and the multiplied All Star Bonus Multiplier set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes and All Star Bonus Multiplier prizes, then the amount needed to fund the Set Prizes (including the All Star Bonus Multiplier prize amounts) awarded shall be drawn from the following sources, in the following order:

1810.09A(1)(a) the amount available in the SPP allocated to the set prizes and the MPP, if any;

1812.01A(1)(b) an amount from the PRA up to, if available, not to exceed the balance of the PRA; and,

1810.09A(1)(c) an amount from the SAP, if available, not to exceed the balance of that pool.

1810.09A(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including All Star Bonus Multiplier prizes), then the highest Set Prize (including the All Star Bonus Multiplier prizes) shall become a pari-mutuel prize. If the amount of the highest Set Prize (including the All Star Bonus Multiplier Prizes) when paid on a pari-mutuel basis, drops to or below the next highest Set Prize (including the All Star Bonus Multiplier Prizes) and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize (including the All Star Bonus Multiplier 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. Lotto America Game and All Star Bonus Multiplier prizes will be reduced by the same percentage. Monies from the Grand Prize Pool may not be used to fund Set Prizes or All-Star Bonus Multiplier prize payments.

1810.10 Prize Payment.

1810.10A Prize Payments. All All Star Bonus Multiplier prizes shall be paid in one lump sum through the Member Lottery that sold the winning Play(s). A Member Lottery may begin paying All Star Bonus Multiplier prizes after receiving authorization to pay from the MUSL central office.

1810.10B Prizes Rounded. Prizes 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 MPP for the next drawing.

CHAPTER 1900 NEBRASKA PICK 4

REG-1901 GAME DESCRIPTION

1901.01 General. Nebraska Pick 4 is an on-line lottery game which pays all prizes on a cash basis except as provided in these regulations or in the Nebraska Pick 4 game rules. To play Nebraska Pick 4, a player shall select four (4) different numbers as established in the Nebraska Pick 4 game rules, which game rules shall be developed pursuant to Reg-208.05. The numbers selected are inputted into a terminal. Nebraska Pick 4 tickets shall be purchased from a terminal operated by the Division or a Lottery Game Retailer. Each play costs one dollar (\$1). The player shall select a set of four (4) numbers by communicating the numbers to the terminal operator, or by hand-marking four (4) numbered squares in any one game play area on a play slip and submitting the play slip to the terminal operator, or by requesting a computer “quick pick” from the terminal operator. The terminal operator will then issue a Nebraska Pick 4 ticket, via the terminal, containing the selected set or sets of numbers, each of which constitutes a Nebraska Pick 4 game play.

1901.02 Claims. A Nebraska Pick 4 ticket (subject to the validation requirements set forth in Reg-1905 Nebraska Pick 4 Ticket Validation) shall be the only proof of a Nebraska Pick 4 game play or plays, and the submission of a winning Nebraska Pick 4 ticket to the Division, or an authorized Lottery Game Retailer shall be the sole method of claiming a prize or prizes. A play slip has no pecuniary or prize value and shall not constitute evidence of a Nebraska Pick 4 ticket purchase or of numbers selected.

1901.03 Cancellations Prohibited. A Nebraska Pick 4 ticket may not be voided or canceled by returning the Nebraska Pick 4 ticket to the selling Lottery Game Retailer or to the Division, including Nebraska Pick 4 tickets which are printed in error. No Nebraska Pick 4 ticket which can be used to claim a prize shall be returned to the Division for credit. Nebraska Pick 4 tickets accepted by Lottery Game Retailers as returned tickets will remain charged to the Lottery Game Retailer’s account. Ownership of the tickets is in bearer form until the ticket is signed on the reverse side. Lottery Game Retailers who accept unsigned Nebraska Pick 4 tickets as returned tickets and who cannot re-sell those tickets shall be deemed the owners of those tickets.

1901.04 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the Nebraska Pick 4 game play or plays and other data printed on the Nebraska Pick 4 ticket. The placing of Nebraska Pick 4 plays is done at the player’s own risk through the on-line terminal operator who is acting on behalf of the player in entering the Nebraska Pick 4 play or plays.

1901.05 Entry of Plays. Nebraska Pick 4 plays may only be entered manually using the on-line lottery terminal keypad (including a computer “quick pick”) or by means of a play slip provided by the Division. A Lottery Game Retailer 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 Division. Lottery Game Retailers shall not permit any device to be connected to an on-line lottery terminal to enter Nebraska Pick 4 plays, except as approved by the Division. Any play slip number selection by a method other than hand-marked by the player and any resulting ticket shall be invalid.

1901.06 Drawings. Drawings shall be held at the times and places established by the Division in the Nebraska Pick 4 game rules and the results shall be subsequently announced to the public.

1901.06A The Director shall determine the time for the end of sales prior to the drawings. On-line terminals shall not process on-line tickets for that drawing after the time established by the Director.

1901.06B The Division 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.

REG-1902 PRIZE POOL

1902.01 Prize Pool. The prize pool for all prize categories shall be established in the Nebraska Pick 4 game rules and shall consist of a percentage of each drawing period's sales as established in the Nebraska Pick 4 game rules. Any amount remaining in the prize pool at the end of the game shall be carried forward to a replacement game or expended in a manner as directed by the Director in accordance with the State Lottery Act.

1902.02 Expected Prize Payout Percentages. All prizes shall be set out in the Nebraska Pick 4 game rules.

REG-1903 PROBABILITY OF WINNING

1903.01 Probability of Winning. The probability of winning and the probable distribution of winners in and among each prize category shall be set out in the Nebraska Pick 4 game rules. All prizes shall be cash prizes, even if determined on a pari-mutuel basis.

REG-1904 PRIZE PAYMENT

1904.01 Cash Prize Payments. All prizes shall be paid in cash by either a Lottery Game Retailer or at a Division claim center.

1904.02 Guaranteed Prizes. The Division may make changes in the prize structure, prize pool, probability of winning or the probable distribution of winners when the Division finds that it would be in the best interest of the Nebraska Pick 4 game and the Division.

1904.03 Limited to Highest Prize Won. The holder of a winning Nebraska Pick 4 ticket may win only one prize per game play area in connection with the winning Nebraska Pick 4 numbers drawn and shall be entitled only to the prize won by those numbers in the highest matching prize category.

1904.04 Prize Claim Period. Prize claims shall be submitted within the period set forth in Reg-602.05.

REG-1905 TICKET VALIDATION

1905.01 Ticket Validation. To be a valid Nebraska Pick 4 ticket and eligible to receive a prize, a ticket shall satisfy all the requirements set forth in REG-603 for validation of winning tickets and any other validation requirements adopted by the Division in the Confidential Nebraska Lottery Minimum Game Security Standards. The Division shall not be responsible for Nebraska Pick 4 tickets which are altered in any manner.

REG-1906 TICKET RESPONSIBILITY

1906.01 Signature. Until such time as a signature is placed upon a Nebraska Pick 4 ticket in the area designated for signature, a Nebraska Pick 4 ticket shall be deemed owned by the ticket bearer. When a signature is placed on the Nebraska Pick 4 ticket in the place designated, the person whose signature appears in such area shall be the owner of the ticket and shall be entitled to any prize attributable thereto, except as provided in these regulations.

1906.02 Stolen Tickets. The Division shall not be responsible for lost or stolen Nebraska Pick 4 tickets.

REG-1907 INELIGIBLE PLAYERS

1907.01 General. A Nebraska Pick 4 ticket or share shall not be purchased by, and a prize won by any such Nebraska Pick 4 ticket or share shall not be paid to:

1907.01A A contractor or consultant under agreement with the Division to review the Division audit and security procedures;

1907.01B An employee of an independent accounting firm under contract with the Division to observe drawings or site operations and actually assigned to the Division account and all partners, shareholders, or owners in the local office of the firm; or

1907.01C An immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in Reg-1907.01A, 1907.01B and 1907.01C and residing in the same household.

REG-1908 APPLICABLE LAW

1908.01 General. In purchasing a ticket, the purchaser agrees to comply with and abide by all applicable laws, rules, regulations, procedures, and decisions of the Division.