

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

The following rules have been adopted by the New Jersey State Lottery Commission pursuant to authorization contained in N.J.S.A. 5:9-7 (a) and shall govern the operation of Instant Lottery Games (hereinafter also known in each instance as Scratch-offs) in which winners are determined instantly through a process of removing a coating covering the play areas on tickets.

SECTION 1 - SELLING PERIOD

The sale of each Instant Lottery game shall commence on a date to be announced by the Director of the State Lottery and shall terminate on a date to be announced by said Director.

SECTION 2 - TICKETS

- A. All tickets issued for each new game shall be clearly identified with the name of that game.
- B. Each Instant Lottery game shall be sold every day during the lottery Agent/Retailer's business hours until the announced end of the game.
- C. Winning tickets shall be printed in accordance with a process approved by the Director, which complies with the State Lottery Law.
- D. The cost of the ticket shall be determined by the Director and clearly indicated in the section for "Basic Rule Changes for New Instant Game" which shall be issued for each new game.

SECTION 3 - TICKET CONSIGNMENT, AGENTS/RETAILER COMPENSATION & SETTLEMENT

- A. Tickets shall be delivered and consigned to Agents/Retailers in sealed packs. All \$1 games shall contain 200 tickets, \$2 games shall contain 150 tickets, \$3 games shall contain 100 tickets, \$5 games shall contain 60 tickets, \$10 games shall contain 30 tickets, \$20 games shall contain 20 tickets, \$25 games shall contain 20 tickets, and \$30 games shall contain 20 tickets per pack. The number of packs allocated to each Agents/Retailer shall be determined by the Director.
- B. Agents/Retailers will receive a 5% of sales commission as compensation for each full pack sold.
 - (1) All Agents/Retailers are required to have on deposit in their lottery bank account no later than noon each Thursday, the gross value of each pack net of 5% sales commission for each full pack of instant tickets (or Scratch-offs) reported sold for the previous sales week-ending Wednesday. Official settlement takes place upon Electronic Funds Transfer (EFT) transfer. In the case of a deficiency in any EFT, the Director may debit the Agent/Retailer's account \$25.00 per EFT failure.

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

- (2) Subject to Lottery operating procedures for each game, a lottery Agent/Retailer must settle for a portion of the consignment as per INSTANT GAMING SYSTEM APPLICATION/EFT procedures (see Paragraph H) before any additional consignments are allowed.
 - (3) If a Lottery Agent/Retailer erroneously renders the pack sold prior to the pack being sold the Agent/Retailer will be charged for the pack and must settle for this pack of tickets. Credit may be issued after complete audit by the Lottery.
 - (4) Settlements will only be accepted for full packs of sold tickets, with the following exceptions:
 - (a) If, during an instant game (or Scratch-off), a Agent/Retailer's license is suspended or revoked, or a Agent/Retailer terminates, partial packs may be returned for credit.
 - (b) At the Director's discretion, partial packs may be returned for credit when it has been determined, by Lottery investigation, that a portion of that pack has been stolen. Only tickets not stolen will be eligible for credit.
 - (5) Agents/Retailers will be allowed a five percent (5%) commission on tickets sold. Credit will be given at the time pack(s) are reported sold (see Paragraph H). All Agent/Retailer lottery operations, reports and records shall be subject, upon demand, to inspection and audit by representatives of the Division of State Lottery; however, such reports and records shall remain confidential for all purposes except income tax reporting required by Law.
 - (6) Agents/Retailers are financially responsible to the Lottery for all lost, damaged, destroyed, stolen or missing lottery receipts and tickets that have been activated for sale, notwithstanding the degree of care which they may have exercised with regard to the tickets and receipts. Agents/Retailers are not financially responsible for lost, damaged, destroyed, missing or stolen tickets which have been "received" but not "activated" for sale provided the Agent/Retailer complies with the provisions of Paragraph F, Item 4 of this section.
- C. Tickets redeemed by Agents/Retailers are to be destroyed and properly disposed.
- D. Agents/Retailers paying out cash prizes up to \$599.00 shall receive a commission equal to 1.25% of the money paid out in prizes.
- E. The responsibilities of the Distribution Vendor will include:
- (1) Delivery of packs of inactivated tickets to all Agent/Retailer locations.

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

- (2) Delivery of additional packs of tickets via the issue process.
 - (3) Delivery and/or pickup of forms, advertising and promotional supplies.
 - (4) Safeguarding and prompt transmittal of the above materials to and from Lottery Headquarters.
 - (5) Providing a pre-addressed pre-paid UPS (United Parcel Service) Authorized Return Service (ARS) shipping label for the return of unopened full packs of tickets at game end.
- F. The responsibility of the Agent/Retailer will include:
- (1) Acknowledging receipt of packs of tickets, via the pack receipt process.
 - (2) Activating packs of tickets, via the pack activation process, prior to the sale of any instant tickets from the pack.
 - (3) Reporting sold packs, via the pack sold process.
 - (4) Reporting lost, missing or stolen tickets to their local Police Department and to the Lottery Agent/Retailer Services Hotline at 1-800-222-0996 via telephone immediately upon discovery. All lost, missing or stolen tickets, whether in active or received status, must be reported. A Police Incident Report must be forwarded to the New Jersey Lottery's Operations Unit for all lost, missing or stolen tickets. If the incident occurs during off hours, the Agent/Retailer must contact the Gaming System Vendor Hotline immediately to report the incident at 1-800-545-4321.
 - (5) Returning full packs of authorized Instant Games via the game end pack return process. Agents/Retailers not returning game end packs via the free UPS pack return process, will be charged an "Account Adjuster" Return Service Fee of \$25.00.
- G. All consignments and sale of tickets are subject to complete audit by the Lottery.
- H. All Agent/Retailer functions shall be governed by the INSTANT GAMING SYSTEM APPLICATION and EFT procedures, which have been distributed to all Agents/Retailers and are on file at Lottery Headquarters.
- I. Agents/Retailers will be automatically billed for any tickets not settled within thirty (30) days of the announced termination date in accordance with INSTANT GAMING SYSTEM APPLICATION/EFT procedures (see Paragraph H).
- J. Agents/Retailers will be automatically billed for packs of tickets after ninety percent (90%) of the "low-tier" winning tickets from the pack have been validated/redeemed, or the pack has been activated for sixty (60) days or more, or a third pack from the same game has been activated rendering the first, oldest, activated pack sold. Low-tier winning tickets are defined as any prize less than \$20.00. Optional settlement terms may be offered to selected Agents/Retailers.

SECTION 4 - TICKET VALIDATION

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

- A. All tickets that are eligible for any prize are subject to validation by the Lottery. Tickets will be considered valid and therefore entitled to a prize if they meet the following conditions:
- (1) There has been compliance with the rules of eligibility specified on the Lottery tickets, and with these rules and regulations.
 - (2) There has been no attempt to deface the ticket or to change the digits, the prize amounts, the symbols or captions on the ticket.
 - (3) The ticket meets the various security tests adopted by the Lottery for determining validity.
 - (4) The person submitting the ticket has signed the ticket on the reverse side and a sufficient portion of it is legible so that the holder can be identified.
 - (5) The ticket is not a counterfeit and in fact was sold by a Lottery Agent/Retailer in the authorized manner. Specifically, the Lottery will not honor claims for prizes where it is determined that the Instant Lottery ticket(s) has been stolen.
- B. Should the information on the ticket or claim form be deemed inadequate or illegible by the Director, said ticket/claim form will be researched to ascertain the requisite information which shall be so recorded.
- C. All determinations regarding prize awards are subject to the decision of the Director and to all rules and regulations of the State Lottery Commission which apply to the Instant Lottery game.

SECTION 5 - CLAIMING OF PRIZES

All winners can be paid throughout the selling period and up to one year after the announced close of an Instant Lottery game, up to \$599.00, by an official New Jersey Lottery Agent/Retailer after proper validation. Validated tickets less than \$600.00 will not be returned to the winner. If the winning ticket entitles the holder to a prize that is more than \$599.00, the Agent/Retailer shall validate the ticket, the claimant and Agent/Retailer shall fill out a claim form issued the Agent/Retailer, and mail the completed claim form, validated winning ticket and validation receipt to Lottery headquarters in the claim form mailer envelope. Once a ticket and claim form are received by the Lottery, they will not be returned to the winner, but will be retained by the New Jersey Lottery. The winner will retain a copy of the claim form prior to mailing to the New Jersey Lottery. After the announced close of the game, these tickets shall be payable for a period of one year from such date. For tickets claimed and scanned at an authorized New Jersey Lottery Agent/Retailer within the one year claim period, and then sent to Lottery Headquarters for validation, said ticket must be received at the headquarters' office on or before the close of business on the thirtieth (30th) day after the expiration of the official claim period in order to be paid. Lottery Agents/Retailers are required to properly destroy redeemed winning tickets.

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

SECTION 6 – PUBLICITY FOR PRIZE PAYMENTS

Pursuant to the New Jersey Lottery Law (N.J.S.A. 5:9-1 et seq. and N.J.A.C. 17:20-1 et seq.), holders of winning tickets or shares may remain anonymous indefinitely. The identity of a holder choosing to remain anonymous shall not be included under materials available to public inspection pursuant to the New Jersey Open Public Records Act (N.J.S.A. 47:1A-1 et seq. and N.J.A.C. 17:20-7.7). Holders of winning tickets or shares may expressly authorize use by the New Jersey Lottery of his or her name, address, prize amount and photographic or video-graphic likeness, in any medium for the sole purpose of advertising and publicity.

SECTION 7 - UNCLAIMED PRIZE MONEY

The amount of the prize pool may be supplemented by proceeds from the unclaimed prize reserve or any part thereof for purposes of games at such times and in such a manner as the Director shall determine.

The unclaimed prize reserve (maintained with respect to all instant games) shall be credited an amount equal to a maximum of 70% of the daily prize obligation forfeitures. Prize obligation forfeitures are defined as that portion of game prizes which after one year from the drawing date or game closing (end date) are unclaimed by players.

The Lottery shall maintain a daily record of unclaimed prizes and provide such information to the Director at least monthly. It shall be the responsibility of the Director to report such information to the New Jersey State Lottery Commission. Any portion of the unclaimed prize reserve may, at any time, be treated as net proceeds for allocation as required by law to the appropriate fund. At no time shall the unclaimed prize reserve be utilized inconsistently with the 30% minimum contribution requirement of the State Lottery Law.

SECTION 8 - TICKET RESPONSIBILITY

Agents/Retailers are responsible for packs of tickets that have been received, unless the Agent/Retailer follows the procedure outlined in Section 3, Subsection F, Number 4. Agents/Retailers are responsible for lost or stolen tickets from packs of tickets that have been activated for sale.

SECTION 9 - LIABILITY OF NEW JERSEY LOTTERY

- A. The liability of the Lottery for tickets printed or produced in error or for defective tickets shall be limited to the replacement of the defective ticket with another un-played ticket or reimbursement to the holder at the retail sale price of the ticket.
- B. All winners, tickets and transactions are subject to New Jersey State Lottery rules and regulations and State Law. All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey State Lottery Commission.

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**

- C. Tickets are void if:
- (1) Stolen, unissued, unreadable, mutilated, altered, counterfeit in whole or in part, miscut, misregistered, multiply-printed, defective, printed or produced in error, blank or partially blank;
 - (2) The ticket fails any of the Lottery's other validation tests.
- D. All prize awards are subject to verification of eligibility and compliance with the terms of these Official Rules. No assignment, cash equivalent or transfer of prizes, alternative prize or other substitution is permitted except at the sole discretion of the Director, who reserves the right to substitute any non-cash prize with a prize of comparable or greater value.

SECTION 10 – TOP PRIZE SELLING AGENTS/RETAILER BONUS COMMISSION

- A. The Agent/Retailer(s) selling a top tier Instant win cash prize may receive a 2.5% bonus from the Lottery. The Agent/Retailer(s) selling a top tier Instant win annuity or annualized prize may receive a 2.5% bonus for the cash equivalent value from the Lottery. Regardless of the value of the cash prize or cash equivalent value, the maximum bonus amount shall not exceed \$30,000. The bonus may be paid for each top tier Instant win cash prize sold and claimed. Agent/Retailer commission and bonuses may be offset, at the Director's discretion, against monies due from the Agent/Retailer to the Lottery; in such cases, if applicable, a net payment will be made to the Agent/Retailer. All data regarding Agent/Retailers' sales and compensation shall be kept confidential by the Lottery, except for income tax reporting required by law.
- B. Second chance drawing prizes and any Instant win, non-cash merchandise prizes are not eligible for a top prize selling Agent/Retailer bonus commission. Only instant win cash and cash equivalent annuity or annualized prizes sold and claimed may be eligible for selling Agent/Retailer bonus commissions.

SECTION 11 - FINAL DECISION

All rules and regulations of the New Jersey State Lottery Commission shall govern the operation of each Instant Lottery Game, Top Prize Selling Agent/Retailer Commissions and any special Agent/Retailer Bonus Games and any Agent/Retailer Bonus Game drawings. The Director shall make all final decisions regarding the awarding of prizes, commissions and any Agent/Retailer bonus commissions.

**GENERAL RULES GOVERNING
NEW JERSEY INSTANT LOTTERY GAMES**