Basis and purpose for Rule 14.E

The purpose of Rule 14.E is to provide specific game details and requirements for the Colorado Lottery Multi-State Jackpot Game “LUCKY FOR LIFE” such as type of play, prizes, method of selecting winning numbers, drawings, and the allocation of revenues. The statutory basis for Rule 14.E is found in C.R.S. 24-35-201, 24-35-208 (1) (a) and (2), and 24-35-212 and 24-35-212.5.


A. A Colorado Lottery multi-state Jackpot game to be known as “LUCKY FOR LIFE” is authorized to be conducted by the Director under the following Rules and Regulations and under such further instructions and directives as the Director may issue in furtherance thereof. If a conflict arises between Rule 14 and this Rule 14.E, Rule 14.E shall apply.

B. All New England Lotteries guidelines and New England Lotteries decisions must be approved by the Colorado Lottery (hereafter referred to as Lottery) and the Lottery Commission, prior to implementation.

C. As a Licensee Lottery, the Director will be a voting member on game costs prior to commencement of game.

D. At any time the Lottery Director determines that any provisions of NEW ENGLAND LOTTERIES or of NEW ENGLAND LOTTERIES’ Specific Game Playing Rules do not sufficiently provide for the security and integrity necessary to protect the Colorado Lottery, he/she shall recommend to the Lottery Commission that the Lottery end its membership with NEW ENGLAND LOTTERIES or with the specific Product Group. Upon concurrence by the Lottery Commission, membership can end at any time.

14.E.2 Definitions

In addition to the definitions provided in Paragraph 1.2 of Rule 1 and Rule 14, and unless the context in this Rule 14.E otherwise requires:

A. “Advance Play” means the ability to purchase tickets for more than one consecutive drawing.

B. “Annuitized Payment Option” means the manner in which the game’s Top Prize or Prize Level 2 may be paid in equal payments or installments. The Annuitized Payment Option shall be calculated on an annual basis.

C. “Breakage” means the results of rounding prize amounts down to the nearest whole dollar.

D. “Cash Option” means the manner in which the game’s Top Prize and Prize Level 2 may be paid in a single cash payment equal to the value of the non-annuitized prize.
E. “Clearinghouse Lottery” means the Party Lottery or other duly authorized entity who is responsible for collecting and transferring prize payouts on behalf of all Party Lotteries.

F. "Drawing" means the event that occurs wherein the official "LUCKY FOR LIFE" numbers are drawn.

G. "Game Board(s)" or "Board(s)" means that area of the play slip that contains a set of two (2) grids. The first grid containing forty-eight (48) squares numbered one (1) through forty-eight (48) and the second grid containing eighteen (18) squares, numbered one (1) through eighteen (18).

H. "Grid" means the area of a play slip that contains a set of numbered squares to be marked by the player.

I. "Liability Limit" means the pre-established threshold, as determined in advance by the New England Lottery Directors for paying Top Prize, Prize Level 2, and Prize Level 3 prize payments.

J. "Licensee Lottery" means any lottery which joined the multi-state game “Lucky For Life” as a Party Lottery and is not an originating member of New England Lotteries.

K. "Lifetime Prize" means the natural life of the single claimant or twenty (20) years if claimed by an entity.

L. "Matching Combinations" means the numbers on a play that coincide with the numbers randomly selected at a drawing for which that play was purchased.

M. "MUSL" means Multi-State Lottery Association.

N. "NEW ENGLAND LOTTERIES" means originating six lotteries which are: Connecticut Lottery Corporation, Massachusetts State Lottery Commission, Maine State Liquor and Lottery Commission, New Hampshire Lottery Commission, Vermont Lottery Commission, and Rhode Island Division of Lotteries.

O. "NEW ENGLAND LOTTERIES Board" means the governing body of NEW ENGLAND LOTTERIES, which is comprised of the chief executive officer of each Party Lottery.

P. "Number" means any play integer from one (1) through forty-eight (48) inclusive.

Q. "Play" means the six (6) numbers selected on each Board and printed on the ticket.

R. "Play slip" means a mark-sense game card used by players of “LUCKY FOR LIFE” to select plays. A play slip has no pecuniary value and shall not constitute evidence of ticket purchase or of numbers selected.

S. "Prize Amount" means the pari-mutuel and/or set prize values established for a game.

T. "Prize Category" means and refers to a specific prize within the prize pool.

U. "Prize Pool" means a defined percentage of sales as specified in this rule.

V. "Quick Pick" or "Partial Quick Pick" means a number or numbers that are randomly generated by the computer when all or a portion of the player’s selections have been left blank.

W. "Second Prize" or “Prize Level 2” means a pari-mutuel prize that is advertised to be paid with individual winner annuities or as a lump sum cash payment, unless otherwise specified by the Lottery.
X. "Set Prize" means all other prizes except the Top Prize, Prize Level 2, and Prize Level 3 that are advertised to be paid by a single cash payment.

Y. "Share(s)" means the total number of matching combinations within each prize category as determined for each drawing.

Z. "Split Prize" means the pre-determined Top Prize, Prize Level 2, and Prize Level 3 payout that is divided equally among the number of winning tickets in each of these three prize levels.

AA. "Top Prize" or "Prize Level 1" means a pari-mutuel prize that is advertised to be paid with per-winner annuities or as a lump sum cash payment, unless otherwise specified by the Lottery.

BB. "Winning Numbers" means the six (6) numbers, the first five (5) from a field of forty-eight (48) numbers and the last one (1) (Lucky Ball) from a separate field of eighteen (18) numbers, randomly selected at each drawing, which shall be used to determine winning plays contained on a "Lucky For Life" Game ticket.

14.E.3 Price of "LUCKY FOR LIFE" Play/Board

The price of each "LUCKY FOR LIFE" play/board shall be $2.00.

14.E.4 Ticket Purchases

A. "LUCKY FOR LIFE" tickets may be purchased only from a Lottery licensee authorized by the Director to sell multi-state Jackpot Game tickets.

B. "LUCKY FOR LIFE" tickets shall show, at a minimum, the player's selection of numbers, the boards played, drawing date and validation and reference numbers. The Lottery shall not directly and knowingly sell a combination of tickets to any person or entity that would guarantee such purchaser a winning ticket.

C. Plays may be entered manually using the Jackpot Game terminal by a ticket generation option or by means of a play slip provided by the Lottery. Facsimiles of play slips, copies of play slips, or other materials which are inserted into the terminal's play slip reader and which are not printed or approved by the Lottery shall not be used to enter a play. No device shall be connected to a Jackpot Game terminal to enter plays, except as may be approved by the Lottery. Unapproved play slips or other devices may be seized by the Lottery.

D. All plays made in the game shall be marked on the play slip by hand. No machine-printed play slips shall be used to enter plays. Machine-printed play slips may be seized by the Lottery. Nothing in this regulation shall be deemed to prevent a person with a physical handicap who would otherwise be unable to mark a play slip manually from using any device intended to permit such person to make such a mark (for his/her sole personal use or benefit).

E. "LUCKY FOR LIFE" may not be cancelled.

14.E.5 Play for "LUCKY FOR LIFE"

A. A "LUCKY FOR LIFE" player must select six numbers in each play, five (5) numbers out of forty-eight (48) plus one (1) out of eighteen (18). A winning play is achieved only when the following combinations of numbers selected by the player match, in any order, the five plus one winning numbers drawn by the Lottery. Those combinations are 5+1, 5+0, 4+1, 4+0, 3+1, 3+0, 2+1, 2+0, 1+1 and 0+1.
B. The player will use play slips, as provided in Paragraph 14.E.4 of this Rule 14.E, to make number selections. The Jackpot Game terminal will read the play slip and issue a ticket with corresponding play(s). If a play slip is not available, the Jackpot Game licensee may enter the selected numbers via the keyboard. If offered by the Lottery, a player may leave all or a portion of his/her play selections to a random number generator operated by the computer, commonly referred to as “QUICK PICK” or “PARTIAL QUICK PICK.”

14.E.6 Prizes For "LUCKY FOR LIFE"

A. Odds of winning a prize are displayed in the table below:

<table>
<thead>
<tr>
<th>MATCHING COMBINATIONS</th>
<th>PRIZECATEGORY</th>
<th>ODDS OF WINNING (ONE PLAY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All five (5) of first set plus one (1) of second set</td>
<td>Top Prize</td>
<td>1:30,821,472.000</td>
</tr>
<tr>
<td>All five (5) of first set plus none of second set</td>
<td>Second Prize</td>
<td>1:1,813,027.765</td>
</tr>
<tr>
<td>Any four (4) of first set, but not five, plus one (1) of second set</td>
<td>Third Prize</td>
<td>1:143,355.684</td>
</tr>
<tr>
<td>Any four (4) of first set, but not five, plus none of second set</td>
<td>Fourth Prize</td>
<td>1:8,432.687</td>
</tr>
<tr>
<td>Any three (3) of first set, but not four or five, plus one (1) of second set</td>
<td>Fifth Prize</td>
<td>1:3,413.231</td>
</tr>
<tr>
<td>Any three (3) of first set, but not four or five, plus none of second set</td>
<td>Sixth Prize</td>
<td>1:200.778</td>
</tr>
<tr>
<td>Any two (2) of first set, but not three, four or five, plus one (1) of second set</td>
<td>Seventh Prize</td>
<td>1:249.749</td>
</tr>
<tr>
<td>Any two (2) of the first set, but not three, four, or five, plus none of the second set</td>
<td>Eighth Prize</td>
<td>1:14.691</td>
</tr>
<tr>
<td>Any one (1) of first set, but not two, three, four or five, plus one (1) of second set</td>
<td>Ninth Prize</td>
<td>1:49.950</td>
</tr>
<tr>
<td>None of first set plus one (1) of second set</td>
<td>Tenth Prize</td>
<td>1:32.019</td>
</tr>
</tbody>
</table>
B. The prize pool contribution for all prize categories shall consist of fifty-nine percent (59%) of each drawing period's sales. Any amount remaining in the prize pool at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Product Group in accordance with state law.

<table>
<thead>
<tr>
<th>Prize Category</th>
<th>Prize Amounts</th>
<th>Prize Pool Percentage of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Prize</td>
<td>$7,000 a week for life</td>
<td>10.2201%</td>
</tr>
<tr>
<td>Second Prize</td>
<td>$25,000 a year for life</td>
<td>11.6380%</td>
</tr>
<tr>
<td>Third Prize</td>
<td>$5,000</td>
<td>1.7439%</td>
</tr>
<tr>
<td>Fourth Prize</td>
<td>$200</td>
<td>1.1859%</td>
</tr>
<tr>
<td>Fifth Prize</td>
<td>$150</td>
<td>2.1973%</td>
</tr>
<tr>
<td>Sixth Prize</td>
<td>$20</td>
<td>4.9806%</td>
</tr>
<tr>
<td>Seventh Prize</td>
<td>$25</td>
<td>5.0050%</td>
</tr>
<tr>
<td>Eighth Prize</td>
<td>$3</td>
<td>10.2103%</td>
</tr>
<tr>
<td>Ninth Prize</td>
<td>$6</td>
<td>6.0060%</td>
</tr>
<tr>
<td>Tenth Prize</td>
<td>$4</td>
<td>6.2463%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>59.4335%</strong></td>
</tr>
</tbody>
</table>

C. Prize Categories – Prize levels one (1) through three (3) are split prize levels. Prize levels four (4) through ten (10) are set prize levels.

1. Split prizes levels are paid as follows:

   a. Top Prize: One (1) winner receives the full annuity value of seven thousand dollars ($7,000) a week for life with the option of taking the cash value.

     (1) The Top Prize cash value is set forth in the “Published Notice” available on the Lottery terminals, Lottery website, and Lucky for Life website. The cash value can be revised thirty (30) days prior to the first drawing in which it is applicable.

     (2) All annuitized payments shall be made for a minimum of twenty (20) years.
(3) Two (2) to fourteen (14) Top Prize winners share equally in the pari-mutuel prize of seven thousand dollars ($7,000) a week for life with the option of taking the cash value divided by the total number of Top Prize winners. The cash option must be taken if the annuitized value is less than five hundred dollars ($500) a week for life.

(4) Fifteen (15) or more Top Prize winners share equally in a pari-mutuel prize of seven million one hundred twenty-five thousand dollars ($7,125,000). No annuity option shall be available at this level.

(5) 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 Selling Lottery 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.

b. Prize Level 2: One (1) to twenty (20) winners receives the full annuity value of twenty-five thousand dollars ($25,000) a year for life with the option of taking the cash value.

(1) The Top Prize cash value is set forth in the “Published Notice” available on the Lottery terminals, Lottery website, and Lucky for Life website. The cash value can be revised thirty (30) days prior to the first drawing in which it is applicable.

(2) All annuitized payments shall be made for a minimum of twenty (20) years.

(3) Twenty-one (21) or more Prize Level 2 winners share equally in the pari-mutuel prize of nine million four hundred thousand dollars ($9,400,000). No annuity option shall be available at this level.

(4) The minimum prize value for Prize Level 2 prizes shall not be less than any lower Prize Level prize paid in that respective drawing.

(5) 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 Selling Lottery 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.

c. Prize Level 3: One (1) to one thousand (1,000) Prize Level 3 winners will receive five thousand dollars ($5,000).

(1) One thousand and one (1,001) or more Prize Level 3 winners share equally in a pari-mutuel prize of five million dollars (5,000,000).

(2) The minimum Prize Level 3 prize value shall not be less than two hundred dollars ($200). The prize money allocated to the Top Prize category shall be divided equally by the number of game boards matching all five (5) of the first set plus one (1) of the second set.

2. Set prize levels are a guaranteed prize and will not be paid as pari-mutuel.
14.E.7 Prize Payment

A. All prizes shall be paid by the Lottery. The Lottery may begin paying set prizes after receiving authorization to pay from the MUSL.

B. Top Prize payments will be made according to payment selection.
   1. If the Annuity option is selected the initial payment is made at the time of claim. All subsequent payments will be made on a weekly basis from the date the prize is claimed.
      a. Annuitized payments of the Top Prize or a share of the Top Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Top Prize win shall be added to the first payment to the winner or winners.
   2. If the Cash option is selected the prize will be paid no sooner than twenty (20) business days, but no later than sixty (60) days after validation of the Top Prize ticket.

C. Second Prize payments will be made according to payment selection.
   1. If the Annuity option is selected the initial payment is made at the time of claim. All subsequent payments will be made on an annual basis.
      a. Annuitized payments of the Second Prize or a share of the Top Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Second Prize win shall be added to the first payment to the winner or winners.
   2. If the Cash option is selected the prize will be paid no sooner than twenty (20) business days, but no later than sixty (60) days after validation of the Second Prize ticket.

14.E.8 Funds Transfer

A. Funds shall be collected by MUSL from each Party Lottery as needed to cover prizes by wire transfer or other means acceptable to the NEW ENGLAND LOTTERIES. The NEW ENGLAND LOTTERIES shall determine collection days. The amount to be transferred shall be calculated in accordance with game rules. The draw reports determine whether the Party Lotteries owe funds to MUSL or MUSL needs to transfer money to the Party Lottery. Each Party Lottery shall transfer to MUSL an amount as determined by MUSL to be its total proportionate share of the prize accounts. If this results in a negative amount, the MUSL central office shall transfer funds to the Party Lottery.

B. The Top Prize amount held by MUSL shall be transferred to the Lottery after the Lottery validates the Top Prize claim and after MUSL has collected the prize pool shares from all Party Lotteries.

14.E.9 Drawings

A. The "LUCKY FOR LIFE" drawings shall be held twice each week on Monday and Thursday evenings, except that the drawing schedule may be changed by the NEW ENGLAND LOTTERIES. In the event of an act of Force Majeure the drawing shall be rescheduled at the discretion of the NEW ENGLAND LOTTERIES.

B. Each drawing shall determine, at random, six winning numbers in accordance with drawing guidelines. The Lottery Director shall review and approve drawing guidelines. Any numbers drawn are not declared winning numbers until the drawing is certified by NEW ENGLAND
LOTTERIES in accordance with the "LUCKY FOR LIFE" drawing guidelines. The winning numbers shall be used in determining all "LUCKY FOR LIFE" winners for that drawing. If a drawing is not certified, another drawing will be conducted to determine actual winners.

C. Each drawing shall be witnessed by an auditor as required in C.R.S. 24-35-208 (2)(d). All drawing equipment used shall be examined by the auditor immediately prior to, a drawing and immediately after. All drawings, inspections and tests shall be recorded on videotape.

D. The drawing shall not be invalidated due to the numbers drawn creating an excessive prize liability for the Lottery.

E. The drawing procedures shall provide that a minimum of sixty (60) minutes elapse between the close of the game ticket sales and the time of the drawing for those tickets sold. All drawings shall be open to the public.

14.E.10 Advance Play

A. Advance play provides the opportunity to purchase "LUCKY FOR LIFE" tickets for more than one drawing. Advance play tickets shall be available for purchase in variable increments. The Advance Play feature shall be available at the discretion of the Lottery Director.

B. The cash value may be adjusted during the life of an Advance play ticket per the "Published Notice" as referenced in 14.E.6.C.1.a.(1)(i).

14.E.11 NEW ENGLAND LOTTERIES Accounting and Finance

A. At the time a Lottery joins the "LUCKY FOR LIFE" Product Group, NEW ENGLAND LOTTERIES revises the existing budget and assesses the Lottery for the additional costs. Each July, thereafter, NEW ENGLAND LOTTERIES sets the budget for the impending year and assesses each Lottery their proportionate share. The Lottery receives a copy of these costs and an election form.

B. The draw reports determine whether the Lottery owes and needs to transfer funds to the MUSL, or the MUSL owes and needs to transfer funds to the Lottery. (The procedures and corresponding time lines documenting the timely and effective transfer of funds between the Lottery and the MUSL can be found in the Lottery's financial procedures.) Prize payments are transferred between the MUSL and the Lottery as required to cover prize payments.

14.E.12 Jackpot Game Licensee Commission, Cashing Bonus, Selling Bonus, and Marketing Performance Bonus

A. In addition to the Six Percent (6%) Commission set forth in Rule 14.19, retailers can earn a Cashing Bonus, Selling Bonus and Marketing Performance Bonus.

1. Each retailer will receive a cashing bonus of one percent (1%) of each prize paid by the licensee up to and including five hundred and ninety-nine dollars ($599).

2. In order to receive a Selling Bonus, the following criteria must be met:
   a. A licensee must have sold a Top Prize or Prize Level 2 prize winning multi-state Jackpot game ticket;
   b. Payment of the Jackpot-selling bonus will occur once Lottery security has confirmed the selling licensee.
c. A licensee must be selling multi-state Jackpot Game tickets up to and including the day that the ticket is validated by the Lottery and must be the same licensed licensee who sold the winning ticket.

d. The Director or designee shall determine the amount of the Jackpot-selling bonus for each qualified-prize-winning ticket sold.

3. In order to receive a five-tenths of one percent (.5%) Marketing Performance Bonus the following criteria must be met:

a. A licensee must be licensed on the date the marketing performance bonus is declared;

b. A licensee must sell Lottery products up to and including on the final sales day in which the marketing performance bonus is declared;

c. A licensee must meet or exceed the requirements of the marketing performance bonus plan for the period for which the marketing performance bonus is declared.

B. In the event there is a residual resulting after the accrual of the one percent (1%) cashing bonus (14.E.12.1) and/or the five-tenths of one percent (.5%) marketing bonus (14.E.12.3), the Lottery Director may provide additional compensation to licensees as described in 14.E.12.2 or may revert the excess amount resulting in a lower bonus expense.