

AMENDED: February 21, 2013

Effective: April 29, 2013

JERSEY CASH 5 GAME RULES

(5 OUT OF 40 LOTTERY)

The following rules have been adopted by the State Lottery Commission pursuant to the authorization contained in N.J.S.A. 5:9-7 and shall govern the operation of the “Jersey Cash 5” select your own numbers lottery game. The rules are as follows:

1. The select your own numbers, or the computer randomly assigned numbers (“Quick Five”) 5 out of 40 lottery shall be called “Jersey Cash 5” and all lottery tickets issued for this game shall be clearly identified with the name of the game and the date or dates of the drawing(s) for which they are issued.
2. “Jersey Cash 5” tickets will be sold every day during the normal business hours of the agents authorized to sell said tickets. The sale period for any given “Jersey Cash 5” lottery date will terminate on the date of the drawing at a time to be determined by the Director of the Division of the State Lottery (“Director”). Advance sales shall be limited to the next twenty-one (21) subsequent drawings, except where extended by the Director from time to time.
3. Lottery tickets for “Jersey Cash 5” will be available only from certain designated Lottery agents who have been selected by the Director.
4. The selected agents will have on their business premises an agent-operated, on-line machine and shall prominently display the machine and a poster or other advertisement stating that they sell tickets for the “Jersey Cash 5” lottery. As a

prerequisite for obtaining the machine, each agent shall have installed a communications link to the Lottery's central computer. Unless otherwise determined by the Director, the agent shall be responsible for the cost of installing the communications link, which shall be in form and specifications as determined by the Director.

5. The price of a single wager shall be \$1.00, except that the Director may establish a discount for multiple purchases or multiple drawing purchases.
6. The agent-operated, on-line machines will sell tickets for the "Jersey Cash 5," the "Pick-6" (Lotto), the "Pick-4," "Pick-3," and "The Big Game MEGA MILLIONS" lotteries. The agents having this type of machine will be required to operate the machine for purposes of the issuance of all lottery tickets. All agents are required to have on deposit in their lottery bank account, no later than the close of their bank business day each Thursday, gross sales receipts less commission and cash prizes paid out for the previous sales week ending Wednesday. In case of deficiencies in Electronic Funds Transfer (EFT), the Director may debit the agent's account \$25.00 per EFT failure. Agents will receive a commission equal to 5% of gross sales dollars. In addition, all agents paying out cash prizes up to \$599.00 shall receive a commission equal to 1.25% of the money paid out in prizes. The agent(s) selling a winning 5 out of 5 "Jersey Cash 5" ticket shall receive a \$2,000.00 bonus from the Lottery. The bonus shall be paid for each winning 5 out of 5 ticket sold. Agent commission and bonuses may be offset, at the Director's discretion, against monies due from the agent to the Lottery; in such cases, if applicable, a net payment will be made to the agent. All data regarding agents' sales and compensation shall be kept confidential by the

Lottery, except for income tax reporting required by law. The agent-operated, on-line machines will have the capacity to:

- a) Handle advance sales as may be implemented at the Director's discretion.
 - b) Issue "Jersey Cash 5" tickets whereby players select five (5) numbers from the forty (40) available numbers for the \$1.00 ticket price.
 - c) Issue "Jersey Cash 5" tickets whereby the computer randomly assigns five (5) numbers from the forty (40) available numbers to the player for \$1.00 ("Quick Five") and in multiples of \$1.00 up to \$5.00.
 - d) Validate all "Jersey Cash 5" tickets for a period of one (1) year from date of the drawing. Tickets redeemed by agents are to be destroyed and properly disposed. Failure to do so will expose the agent to liability for restitution.
 - e) Cancel "Jersey Cash 5" tickets issued in error. The agent must retain any canceled bet transaction(s) for a 13-month period. Failure to do so will expose the agent to liability for the full sales price of the canceled bet or bets, plus reimbursements (if any) to holders of "winning" tickets pursuant to N.J.A.C. 17:20-6.4(b). No commissions are payable on canceled bets.
7. The drawings to select the winning five (5) numbers for the "Jersey Cash 5" lottery will be held seven (7) days per week, Monday through Sunday. Such a

drawing will not be held on Christmas Day. The drawings will take place at a time, date and location prescribed by the Director and all drawings will be open to the public. Promotional Drawings for “Jersey Cash 5” tickets may take place for a limited term at the discretion of the Director.

8. The winning five (5) numbers will be randomly generated by mechanical means. The precise drawing procedure will be determined by the Director.

9. The type of bets and the amount of prizes for the “Jersey Cash 5” lottery shall be determined as follows:

The purchaser shall select, or have the computer randomly assign, any five (5) numbers (in any order) from a range of forty (40) different consecutive numbers, 01 through 40, inclusive. Any repetition of numbers or bet selections of less than or more than five (5) number selections will be impermissible.

10. Prize Pool

a) The total prize pool will be equal to 50% of the gross dollars wagered for said lottery drawing.

b) The amount of the prize pool may be supplemented by proceeds from unclaimed prize reserve or any part thereof for purposes of increasing the pari-mutuel prize awards at such times and in such a manner as the Director shall determine. The unclaimed prize reserve will 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 (1) year from the drawing date or game closing (end date) are unclaimed by players. The New Jersey State Lottery Controller 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 to the State General Fund as aid to state institutions and education. At no time shall the unclaimed prize reserve be utilized inconsistently with the 30% minimum contribution requirement of the State Lottery Law.

- c) The amount of money in the prize pool shall be divided among the winners in accordance with a pari-mutuel formula so that 5 out of 5 winners will equally share 53% of the total prize pool, 4 out of 5 winners will equally share 27% of the total prize pool, 3 out of 5 winners will equally share 20% of the total prize pool.
- d) Pari-mutuel winning prizes will be paid in a single disbursement without annuity or deferral.
 - i) All payments shall be made to the winner, or his or her estate.
 - ii) The prize unit will be rounded down to the nearest dollar.
 - iii) There will be a total roll forward for each prize pool tier if there are no winners in the 5 out of 5, 4 out of 5 or 3 out of 5 categories for any given drawing. All prize money will be added to the prize pool for the succeeding drawing(s) until there is a winner.

- iv) The amount of breakage (amount received as a result of rounding down to the nearest dollar) will be set aside in a separate reserve fund which will be used for purposes of increasing the prize awards at such times and in such a manner as the Director shall determine.
- v) All prizes in excess of \$5,000.00 will be subject to federal withholding tax at the prevailing federal tax rate.

(e) BASIC PRIZE PAYOUT CALCULATION BY PERCENTAGE(1)

Sales \$250,000 1 Play = 250,000 Selections
 Prize Fund \$125,000

JERSEY CASH 5

<u>Number of Winning Numbers In Player's Selection</u>	<u>Probability Of Winning</u>	<u>Distribution Of The Payout Pool(%)</u>	<u>Distribution of \$125,00 Payout Pool In \$</u>	<u>Avg. No. Of Winning Drw.Selections Per Drw.</u>	<u>Avg. No. Of Winning Selections Per Year</u>	<u>Avg. Prize Amount In \$ Per Customer Selection (2)</u>
5 out of 5	1 out of 658,008	53%	\$66,250	.38	138	\$174,000
4 out of 5	1 out of 3,760	27%	\$33,750	66	24,024	\$511
3 out of 5	1 out of 111	20%	\$25,000	2,252	819,728	\$11
Totals		<u>100%</u>	<u>\$125,000</u>	<u>2,318</u>	<u>843,890</u>	

(1) Based on 250,000 selections, \$250,000 net sales per draw and a 50% distribution of the net sales to the payout pool; or 91 million selections, \$91 million net sales for 364 drawings per year.

(2) Average prize tier payouts per year.

11. The holder of a winning ticket for the “Jersey Cash 5” lottery can take said ticket to any claim center for validation. All agents having an agent-operated, on-line machine are claim centers. If said winning ticket entitles the holder to a prize of \$599.00 or less, said prize will be paid by the agent upon presentation and validation of the ticket. Once a ticket is validated, it will not be returned to the winner. If the winning ticket entitles the holder to a prize that is more than \$599.00, then the agent shall validate the winning ticket, after the claimant signs it. The claimant shall fill in the top portion of the claim form, the agent must fill in the ticket information portion of the claim form. Both the claimant and the agent sign the claim form. The original copy of the claim form with the bet ticket and validation receipt attached is mailed by the claimant to Lottery Headquarters in the claim form mailer envelope. Once a ticket and claim form is received at Lottery Headquarters and validated, it will not be returned to the winner, but will be retained by the New Jersey State Lottery and the payment will be processed. The winner will retain a copy of the claim form prior to mailing to Lottery Headquarters.
12. Liability of New Jersey State Lottery
 - a) The liability of the State Lottery for tickets printed or produced in error by the vendor or for defective tickets shall

be limited to the replacement of the defective ticket with another unplayed ticket by the agent or reimbursement of the holder at the retail sale price of the ticket by the Lottery.

- b) All winners, tickets, and transactions are subject to New Jersey State Lottery rules and regulation and State Law.

All prize awards are subject to claim procedures, validation tests, and other applicable requirements of the New Jersey State Lottery. Tickets are void if:

- i) Stolen, unissued, unreadable, mutilated, altered, counterfeit in whole or in part, miscut, multiply-printed, defective, printed or produced in error, blank or partially blank.
- ii) Printing is irregular.
- iii) Apparent or asserted numbers are not confirmed by validation number.
- iv) The ticket fails any of the Lottery's other validation tests.
- v) An erroneous number selection appears on the ticket.

- 13. Any ticket and claim form sent to the Lottery for payment processing or as an inquiry, becomes the property of the New Jersey Lottery.

The ticket and claim form will not be returned to the claimant.

- 14. All persons holding winning tickets must file for a prize within one (1) year after the date of the drawing. One year means the

anniversary of the date of the draw unless the draw date is February 29th in which case the anniversary is considered to be March 1st. All winning tickets submitted beyond the one (1) year period are not eligible for prize awards. Except as herein provided, all rules and regulations of the Lottery shall govern the operation of the “Jersey Cash 5” lottery. All determinations of winners shall be made by the Director whose judgment shall be final.