

AMENDED: January 18, 2005  
Effective: March 7, 2005

### **PICK-3 GAME RULES**

#### **(THREE DIGIT SELECT YOUR OWN NUMBERS DAILY 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 "Pick-3," a three digit select your own numbers daily Lottery. The rules are as follows:

1. The three digit select your own numbers or the computer randomly assigned three (3) numbers (Quick Three) daily Lottery shall be called "Pick-3," and all Lottery tickets issued for this game shall be clearly identified with the name of the game.
2. "Pick-3" 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 "Pick-3" lottery date will terminate on the date of the drawing at a time to be determined by the Director of the State Lottery ("Director").
3. Lottery tickets for "Pick-3" 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 "Pick-3" 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 agent-operated, on-line machine will sell tickets for the "Pick-6 (Lotto)," the "Pick-4," the "Pick-3," "Jersey Cash 5," "MEGA MILLIONS" and "LOTZEE" lotteries. The agents having this type of machine will be required to operate the

machine for purposes of the issuance of all lottery tickets and shall be required to provide certain specified services relating to the upkeep of the machine and the reporting of lottery sales. 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. Lottery agents will receive a commission equal to 5% gross sales. In addition, all agents paying out cash prizes up to \$599.50 shall receive a commission equal to 1.25% of the money paid out in prizes. Agent commissions and bonuses (if any) 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 capability to:

- a. Handle advance sales, up to one week, for on-line types of lotteries as applicable.
- b. Issue "Pick-3" tickets for \$.50 and in multiples of \$.50 up to \$5.00.
- c. Issue straight wheel 3-way combination bet tickets for \$1.50 and in multiples of \$1.50 up to \$15.00.
- d. Issue straight wheel 6-way combination bet tickets for \$3.00 and in multiples of \$3.00 up to \$30.00.
- e. Issue "Pick-3" tickets for straight bets, 3-way and 6-way straight wheel (combination) bets, 3-way and 6-way box (combination) bets, front pair, back pair and split pair.
- f. Validate all "Pick-3" tickets for a period of one (1) year from date of drawing. Tickets redeemed by agents are to be destroyed and properly disposed. Failure to do so will expose the agent to liability for restitution.

- g. Cancel "Pick-3" 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 reimbursement (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.
6. The selection of the winning three-digit number for the "Pick-3" lottery will be held twice each day, seven days a week, Monday through Sunday immediately following the drawing of the present "Pick-3" lottery. Such drawings will not be held on Christmas Day. The drawings will take place at a location and time prescribed by the Director and all drawings will be open to the public. Promotional Drawings for "Pick 3" tickets may take place for a limited term at the discretion of the Director.
7. The winning three-digit number will be randomly generated by mechanical means. The precise drawing procedure will be determined by the Director.
8. The type of bets and the amount of prizes for the "Pick-3" Lottery shall be determined as follows:
  - a. Straight Bet

The purchaser shall select a three-digit number that will become a winner only if said number matches digit for digit in sequence the winning number selected by the drawing. For example, if the winning number is 123, then only straight bets placed on 123 will be winners.
  - b. Straight Wheel (3-Way Combination Bets)

Any combination of three digits, two of which are the same will become a straight bet winner if said number matches digit for digit, in any sequence, the winning number drawn. For example, if the winning number is 112, then combination (straight) bets placed on any of the following will be winners:

112

121

211

c. Straight Wheel (6-Way Combination Bets)

Any combination of three digits, all different, will become a straight bet winner if said number matches digit for digit, in any sequence, the winning number drawn. For example, if the winning number is 123, then combination (straight) bets placed on any of the following will be winners:

123	213	312
132	231	321

d. Box (3-Way Combination Bets)

Any combination of three digits, two of which are the same, will become a winner if said number matches digit for digit, in any sequence, the winning number drawn. For example, if the winning number is 112, then combination (box) bets placed on any of the following will be winners:

112	121	211
-----	-----	-----

e. Box (6-Way Combination Bets)

Any combination of three digits, all different, will become a winner if said number matches digit for digit, in any sequence, the winning number drawn. For example, if the winning number is 123, then combination (box) bets placed on any of the following will be winners:

123	213	312
132	231	321

f. Front Pair Bets

The purchaser shall select the first two digits of the three-digit number that will become a winner if the first two digits selected match digit for digit in sequence the first two digits of the winning number selected by the drawing. For example, if the winning number is 123, then only front pair bets placed on 12X will be winners.

g. Back Pair Bets

The purchaser shall select the last two digits of the three-digit number that will become a winner if the last two digits selected match digit for digit in sequence the last two digits of the winning number selected by the drawing. For example, if the winning number is 123, then only back pair bets placed on X23 will be winners.

h. Split Pair Bets

The purchaser shall select the first and last digit of the three digit number that will become a winner if the first and last digit selected match digit for digit in sequence the first and last digit of the winning number selected by the drawing. For example, if the winning number is 123, then only split pair bets placed on 1X3 will be winners.

9. The amount of the prizes to be given for the Pick-3 lottery shall be determined in accordance with the following rules:

- a. The prize pool will be equal to 50% of the total amount of all the bets placed for said lottery drawing.
- b. The amount of the prize pool may be supplemented by proceeds from the 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 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 the pari-mutuel formula so that straight bet winners will receive a full prize share, 3-way box winners will receive a one-third share of the straight bet prize, 6-way box winners will receive a one-sixth share of the straight bet prize, and front and back and split pair bet winners will receive a one-tenth share of the straight bet prize.
- d. Pari-mutuel Formula
  - i. Each 50¢ bet shall be considered to be a single share and bets for larger amounts shall be divided into 50¢ bets; e.g., a 50¢ winning ticket will be one share and a \$2.00 winning ticket will be four shares.
  - ii. A straight winning bet, hereinafter called "W", shall be a full share and shall be entitled to a full prize share for 50¢ of the ticket value.
  - iii. A 3-way box winning bet, hereinafter called "X", shall be one-third of a share and shall be entitled to one-third of the full prize share for each 50¢ of the ticket value.
  - iv. A 6-way box winning bet, hereinafter called "Y" shall be one sixth of a share and shall be entitled to one-sixth of the full prize share for each 50¢ of the ticket value.
  - v. A pair winning bet, hereinafter called "Z", shall be one-tenth of a share and shall be entitled to one-tenth of the full prize share for each 50¢ of the ticket value.
  - vi. The prize share will be rounded down to the nearest 50¢.

vii. Formula for prize determinations:

(A) 3 Way Box  
 Straight = W  
 3-Way Box = X

$$\text{Prize Share} = \frac{\text{Prize Pool}}{W(1) + X(1/3) + Z(1/10)}$$

$$\text{Straight Bet Prize} = (\text{Prize Share}) (\text{Rounded Down x } \frac{\text{Amount Wagered}}{50\phi})$$

$$\text{Box Bet Prize} = \frac{(\text{Prize Share}) (\text{Rounded Down x } \frac{\text{Amount Wagered}}{50\phi})}{3}$$

$$\text{Pair Bets (Either Front or Back Pair) Prize} = \frac{(\text{Prize Share}) (\text{Rounded Down x } \frac{\text{Amount Wagered}}{50\phi})}{10}$$

Example:

Assume: Prize Pool of \$50,000 and the following winning bets represented in 50¢ shares: 150 straight, 240 box, and 110 front or back pair:

$$\text{Prize} = \frac{50,000}{150+240(1/3)+110(1/10)} = \frac{50,000}{150+80+11} = \frac{50,000}{241}$$

$$\text{Straight Prize} = \frac{207.469}{1} = 207.00 \text{ per each } 50\phi \text{ bet}$$

$$\text{Box Bet} = \frac{207.479}{3} = 69.156 = 69.00 \text{ per each } 50\phi \text{ bet}$$

$$\text{Pair Bet} = \frac{207.469}{10} = 20.747 = 20.50 \text{ per each } 50\phi \text{ bet}$$

(B) 6-Way Box  
 Straight = W  
 6-Way = Y

$$\text{Prize Share} = \frac{\text{Prize Pool}}{W(1) + X(1/6) + Z(1/10)}$$

$$\text{Straight Bet Prize} = \frac{(\text{Prize Share}) (\text{Rounded Down } \times \text{ Amount Wagered})}{50\phi} \quad \frac{50\phi}{50\phi}$$

$$\text{Box Bet Prize} = \frac{(\text{Prize Share}) (\text{Rounded Down } \times \text{ Amount Wagered})}{6 \text{ to } 50\phi} \quad \frac{50\phi}{50\phi}$$

$$\text{Pair Bets (Either Front or Back Pair) Prize} = \frac{(\text{Prize Share}) (\text{Rounded Down } \times \text{ Amount Wagered})}{10 \text{ to } 50\phi} \quad \frac{50\phi}{50\phi}$$

Example:

Assume: Prize Pool of \$50,000 and the following winning bets represented in 50¢ shares: 150 straight, 240 box, and 110 front or back pair:

$$\text{Prize} = \frac{50,000}{150+240(1/6)+110(1/10)} = \frac{50,000}{150+40+11} = \frac{50,000}{201}$$

$$\text{Straight Prize} = \frac{248.756}{1} = 248.756 \quad = 248.50 \text{ per each } 50\phi \text{ bet}$$

$$\text{Box Bet} = \frac{248.756}{6} = 41.459 \quad = 41.00 \text{ per each } 50\phi \text{ bet}$$

$$\text{Pair Bet} = \frac{248.756}{10} = 24.875 \quad = 24.50 \text{ per each } 50\phi \text{ bet}$$

- e. The minimum prize for the "Pick-3" lottery for any type of bet on any given day shall be one dollar (50¢ over the share bet). The amount of the breakage (amount received as a result of round down to the nearest 50¢) will be set aside in a separate fund which will be used for purposes of increasing the pari-mutuel prize awards at such times and in such manner as the Director shall determine.
- f. If no straight bets are placed on the winning numbers for a given draw, that share of the prize pool will be disbursed to box winners and pair winners.
- g. If no bets of any type are placed on the winning number or any combinations thereof, as drawn for any "Pick-3" lottery day, the money in the pool shall be added to the next "Pick-3" lottery pool.

10. The holder of a winning ticket for the "Pick-3" lottery can take said ticket to any claim center for validation. All agents having an agent-operated, on-line machine are claim centers. If the winning ticket entitles the holder to a prize that is more than \$599.50, 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.

11. Liability of the 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. 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.

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, or blank or partially blank.
  - ii. Printing is irregular.
  - iii. Apparent or asserted symbols are not confirmed by validation number.
  - iv. The ticket fails any of the Lottery's other validation tests.
12. 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.
  13. All persons holding winning tickets must file a claim for a prize within one 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 claims submitted beyond the one-year period are not eligible for prize awards. Except as herein provided, all rules and regulations of the Lottery Commission shall govern the operation of the "Pick-3" lottery. All determinations of winners shall be made by the Director whose judgment shall be final.