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**OREGON STATE LOTTERY
DIVISION 75
MEGABUCKS GAME RULES**

October 1, 2009

177-075-0000 Definitions

For the purposes of Oregon Megabucks, a 6 of 48 lotto game, the following definitions apply except as otherwise specifically provided in OAR Chapter 177 or unless the context requires otherwise:

- (1) **“Division 1 prize pool”** means the amount of money required to fund an advertised Division 1 prize.
- (2) **“Exchange ticket”** means a computer-generated, printed paper issued by a terminal to replace a game ticket that had been purchased for play in consecutive Megabucks Lotto games and was validated as a winning ticket before the latest drawing appearing on the game ticket. An exchange ticket shall contain the exact game play and future drawing date(s) appearing on the validated game ticket it is replacing and shall have all other characteristics of a game ticket except as otherwise stated in these rules. An exchange ticket shall not contain a ticket price.
- (3) **“Game board”** or **“boards”** means that area of the play slip which contains 48 squares numbered 1 through 48.
- (4) **“Game ticket”** or **“ticket”** means a ticket produced by a terminal, which contains the caption “Megabucks”, two or more lettered game plays each of which has six numbers from 1 through 48 followed by the drawing date, the price of the ticket, a retailer number, and a serial number.
- (5) **“Kicker”** means the play option whereby a player, by paying an additional one dollar for each dollar wagered on Megabucks, is entitled to receive larger prizes for matching three of six, four of six, or five of six numbers.
- (6) **“Lotto”** means a lottery game wherein a player selects a group of numbers, usually six, out of a larger predetermined set of numbers.
- (7) **“Play”** or **“game play”** means the six different numbers from 1 through 48 which appear on a ticket as a single lettered selection and are to be played by a player in a game.
- (8) **“Privileged terminal”** means a terminal authorized to validate prizes over \$600.00.

(9) **“Quick pick”** means the random selection by a terminal of six different numbers from 1 through 48 which appear on a ticket and are to be played by a player in the game.

(10) **“Play slip”** or **“Game slip”** means a card used in marking a player’s game plays. For this purpose, each play slip has ten game boards. Each game board is lettered with one letter from A through J and, when used to purchase a game play, corresponds to the numbers selected and printed on the ticket. An even number of boards, i.e., two, four, six, eight, or ten must be selected on each slip.

(11) **“Random number generator”** means a computer-driven electronic device capable of producing numbers at random.

(12) **“Draw game terminal”** or **“Terminal”** has the meaning set forth in OAR 177-070-0005(4).

(13) **“Winning numbers”** means the six numbers between 1 and 48, randomly selected at each drawing, which shall be used to determine winning plays contained on a game ticket.

177-075-0005 Price

Game plays shall sell for \$0.50 each with the minimum wager being two plays for \$1. All plays must be made in \$1 increments, hence only an even number of selections, up to a maximum of ten selections for \$5.

177-075-0010 Ticket Purchase, Characteristics, and Restrictions

(1) **General:** Oregon MegabucksSM is a pari-mutuel lotto game. A player must select an even number set of six different numbers, between 1 and 48 for input into a terminal. Tickets can be purchased either from a terminal operated by a retailer (i.e., a clerk-activated terminal) or from a terminal operated by the player (i.e., a player-activated terminal). If purchased from a retailer, the player may select each set by marking six numbered squares in any one game board on a play slip and submitting the play slip to the retailer, or by requesting “Quick pick” from the retailer. The retailer will then issue a ticket, via the terminal, containing the selected even number set or sets of numbers, each of which constitutes a game play. Tickets can also be purchased from a player-activated terminal by use of a touch screen or by inserting a play slip into the machine. A ticket can contain up to ten game plays lettered A through J. A player may purchase a ticket or tickets for future consecutive drawings up to the maximum permitted by the Lottery.

(2) **Kicker Option:** The player must also choose whether to play “Kicker”. Kicker awards larger prizes for correctly selecting three of six, four of six, and five of six numbers.

(3) **Non-Cancellation:** A MegabucksSM ticket may not be voided or cancelled by returning the ticket to the retailer, including tickets that are printed in error or purchased for a future consecutive drawing. The placing of plays is done at the player’s own risk. The Lottery retailer acts on behalf of the player in entering the player’s plays.

177-075-0015 Drawings

(1) Megabucks drawings shall normally take place every Monday, Wednesday, and Saturday at approximately 7:29 PM or at any other times as determined by the Director.

(2) The objective of a drawing shall be to randomly select six winning numbers between 1 and 48. Drawings may be conducted with the aid of mechanical drawing equipment or a random number generator or other such devices as the Director may determine.

177-075-0020 Determination of Prize Winners

(1) Prizes shall be determined and awarded on the following basis:

<u>Tickets Containing the Following Number of Matches in One Single Lettered Game Play Irrespective of Drawing Order</u>	<u>Prize Category</u>
All Six Winning Numbers	Division 1
Five Winning Numbers	Division 2
Four Winning Numbers	Division 3
Three Winning Numbers	Division 4

(2) Division 1 prizes of less than \$100,000 will be paid in a lump sum. Division 1 prizes with a value of \$100,000 and more will be paid in the form of the prevailing maximum acceptable annuity or zero coupon bonds which can be purchased with the Division 1 prize pool. The annuity or zero coupon bonds will provide for 25 equal periodic payments, the first immediately and the other 24 annually on the anniversary date (or the first regular business day thereafter) of the applicable Megabucks drawing.

(3) Divisions 2 and 3 prize winners will be paid in a lump sum. Division 4 prize winners with a Kicker game play will be paid in a lump sum. Division 4 prize winners who did not select a Kicker game play on the winning ticket shall receive a free Megabucks ticket valued at \$1.00 except when such prize is redeemed at Lottery Headquarters, in which event the winner will have the option to be paid \$1.00 from the privileged terminal or to receive a free ticket from the Lottery Store terminal.

(4) Players are eligible to receive only the highest division prize for each winning game play.

(5) Notwithstanding the allocations in section (1) of this rule, shares in each prize category shall be rounded down to the nearest \$0.10 and each winning game play in each prize category shall be considered to be a single unit equal to one share of that prize category. All breakage (amounts left over after rounding down) shall be carried forward to the prize pool for the next drawing.

177-075-0027 Annuity Conversion Option

(1) A Division 1 prize winner has the option of receiving the advertised Division 1 prize in a single lump sum payment consisting of one-half of the advertised Division 1 prize or of receiving the full value of the Division 1 prize paid out in equal annual installments over a period of 25 years.

(2) A Division 1 prize winner shall present the winner's ticket and completed claim form, in person, at the Salem Lottery office, pursuant to OAR 177-070-0025. Upon the Lottery's determination and validation that the winner's ticket is a winning ticket of a Division 1 prize, the prize winner may exercise the payment option provided in this rule.

(3) Within 60 days of the date of validation of the Division 1 prize, a winner, prior to receiving any prize payment from the Lottery, may acknowledge in writing the winner's election to receive either the single lump sum payment or the annuitized prize payments. A winner's election is irrevocable once the winner's written election is received by the Lottery subject to the limited exception provided in Section 5 below.

(4) In the event a winner does not exercise the above option within 60 days of the validation of the Division 1 prize, the winner shall receive the full value of the prize paid in equal annual installments over a period of 25 years pursuant to OAR 177-075-0020(2).

(5) A Division 1 prize winner who has elected the annuitized prize payment method or who has failed to make an election and is placed on the annuitized prize payment plan according to Section 4 above, may be permitted at the Lottery's sole discretion to convert to the lump sum payment provided the Lottery has not yet made any payments to the prize winner. Once the Lottery makes any payment of a Division 1 prize to a Division 1 prize winner, the choice of payment is irrevocably fixed.

(6) Multiple winners, jointly claiming ownership of a Division 1 prize winning ticket in accordance with OAR Chapter 177, shall make individual determinations whether to exercise the option to receive their portion of the prize in the form of a single lump sum payment or annuitized payments. Each of the multiple winners exercising the option to receive a single lump sum payment or annuitized payments must do so pursuant to the terms of this rule. Each winner has the option of choosing the lump sum payment or the annuitized payments when the entire prize is more than \$100,000 even if each individual's portion of the prize is less than \$100,000.

(7) A winner is under no obligation to exercise the option made available by this rule.

177-075-0030 Ticket Validation Requirements

To be a valid ticket and eligible to receive a prize, all the following requirements must be satisfied in addition to all other requirements contained in OAR Chapter 177:

(1) Each winning game play appearing on the ticket must be separately lettered and consist of six different numbers between one and 48.

(2) A game ticket containing a winning game play which was also wagered in subsequent, consecutive drawings may be validated prior to the occurrence of future drawings for which the game ticket was purchased. An exchange ticket shall be issued at the time the original game

ticket is validated for the remainder of the drawings appearing on the validated game ticket. An exchange ticket shall also be issued at the time a previously issued exchange ticket is validated for the remainder of the drawings appearing on the validated exchange ticket.

(3) Claimants who share ownership interests in a winning ticket must comply with any additional requirements for prize payment described elsewhere in OAR Chapter 177 as it may be amended from time to time.

177-075-0035 Allocation of Revenues

(1) On the average 50 percent of all gross sales revenues shall be reserved for prizes and shall be allocated to the prize categories as set forth below.

WAGER TYPE		
Megabucks without Kicker		
<u>Wager Amount</u>	<u>Administration</u>	<u>Non-Kicker Pools 4/6 5/6</u>
\$1	16%	4/6 – 8.5%
		5/6 – 3.29%
Megabucks with Kicker		
<u>Wager Amount</u>	<u>Administration</u>	<u>Kicker Pools 3/6 4/6 5/6</u>
\$2		
First Dollar	16%	4/6 – 8.5%
		5/6 – 3.29%
Second Dollar	16%	3/6 – 14.97%
		4/6 – 25.50%
		5/6 – 9.84%

(2) In the event it is determined that there are no valid winning tickets for a specific prize category in any given drawing, all monies allocated for that prize category shall be carried forward and accumulated with the monies allocated for that prize category for the next drawing. This process shall continue until such time as there is one or more valid winning ticket(s) for the Division 1 prize category.

(3) In the event the Oregon Megabucks game is terminated for any reason whatsoever, any prizes which were not won shall be reallocated by the Director. Any prizes which were won but not claimed within the specified claim period shall be forfeited and allocated to the benefit of the public purpose. The transfer shall take place at the same time the Lottery’s next scheduled transfer of proceeds is made.

177-075-0040 Probability of Winning

(1) 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 of six drawn from a field of 48 numbers.

MEGABUCKS

<u>Prize Category Match</u>		<u>Probability of Winning (Minimum Wager)</u>	<u>Estimated Prize Amount</u>
Division 1	6	1:6,135,756	\$8,951,227
Division 2	5	1:24,348.24	\$800
Division 3	4	1:475.48	\$40
Division 4	3	1:26.73	Free Ticket*

*Unless redeemed at Lottery Headquarters in Salem where the prize is \$1.00 from the Privileged Terminal or a free ticket from the Lottery Store terminal.

MEGABUCKS PLUS KICKER

<u>Prize Category Match</u>		<u>Probability of Winning (Minimum Wager)</u>	<u>Estimated Prize Amount</u>
Division 1	6	1:6,135,756	\$8,951,227
Division 2	5	1:24,348.24	\$3200
Division 3	4	1:475.48	\$160
Division 4	3	1:26.73	\$4

(2) In the event there is no Megabucks Division 2 or 3 prize winner, the Megabucks Plus Kicker Division 2 prize shall be \$3200 and the Division 3 prize shall be \$160.