



MEGA MILLIONS PROCEDURES

PART I ADMINISTRATION

Section 1.0 These procedures establish the guidelines and requirements for operating and playing Mega Millions, a lotto game run by the Mega Millions Lotteries including the Multi-State Lottery Association (hereinafter referred to as “MUSL”), of which the Vermont State Lottery operated by the Vermont Department of Liquor and Lottery, Division of Lottery is a member. Generally, the Mega Millions game shall be operated in accordance with any agreement between the State of Vermont and MUSL, the Constitution, the By-Laws of the Multi-State Lottery Association, the Multi-State Lottery Association Rules and applicable Vermont law.

PART II MEGA MILLIONS GAME PROCEDURES

Section 2.0 — DEFINITIONS.

The following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules or procedures adopted by the Product Group.

2.1 “Advertised Grand Prize”. “Advertised Grand Prize” shall mean the estimated annuitized Grand Prize amount as determined by the Mega Millions Finance Committee and communicated through the Selling Lotteries prior to the Grand Prize drawing. The

“Advertised Grand Prize” is not a guaranteed prize amount and the actual Grand Prize amount may vary from the advertised amount, except in circumstances where there is a guaranteed Grand Prize amount as described in Section 6.1(a).

2.2 "Agent" or "retailer" means a person or entity licensed by the Lottery to sell lottery Plays.

2.3 "Computer pick" means the random selection of indicia by the computer, which appear on a ticket or ticketless transaction and are played by a player in the game. Computer pick has the same meaning as “quick pick” or “easy pick”, which is used in the Tri-State game rules.

2.4 "Drawing" refers collectively the formal draw event for randomly selecting the winning indicia which determine the number of winners for each prize level of the Mega Millions game. Winning indicia include the Winning Numbers for the Mega Millions game.

2.5 “Lottery” or “the Vermont State Lottery” means the Vermont State Lottery operated by the Vermont Department of Liquor and Lottery, Division of Lottery.

2.6 “Commissioner of Liquor and Lottery means the Commissioner of Liquor and Lottery of the Vermont State Lottery appointed by the Board of Liquor and Lottery.

2.7 “Finance & Audit Committee” shall mean the committee established by the Multi-State Lottery Association Agreement.

2.8 "Game ticket" or "ticket" means a lottery ticket produced by a lottery terminal in a manner which meets the specifications defined in the rules and procedures of the Lottery and Section 7.0 (Play Validation) and is a physical representation of the Play or Plays sold to the player or is a properly and validly registered ticketless transaction Play.

2.9 “Jackpot” or “Grand Prize” shall refer to the top prize in the Mega Millions game.

2.10 “Mega Millions Finance Committee” means a Committee of the Mega Millions Lotteries which determines the Grand Prize amount and the cash value option rate.

2.11 “Mega Millions Lottery or Lotteries” means those lotteries which have joined under the Mega Millions Lottery Agreement; the group of lotteries that has reached a Cross-Selling Agreement with the MUSL Product Group for the selling of the Mega Millions Game.

2.12 "MUSL" means the Multi-State Lottery Association, a government-benefit association wholly owned and operated by the Party Lotteries.

2.13 "MUSL Board" means the governing body of the MUSL which is comprised of the chief executive officer of each Party Lottery.

2.14 "On-Line Lottery Game" means a lottery game wherein a player selects numbers out of a larger predetermined set or sets of numbers.

2.15 "Party lottery" or "Member Lottery" means a state lottery or lottery of a political subdivision or entity which has joined the MUSL and, in the context of the Product Group Rules, which has joined in selling the Mega Millions game.

2.16 "Play" or "bet" means the six (6) numbers, the first five (5) from a field of seventy (70) numbers and the last one (1) from a field of twenty-five (25) numbers, that appear on a ticket or ticketless transaction as a single lettered selection and are to be played by a player in the game.

2.17 "Product Group" means the group of lotteries which has joined together to offer the Mega Millions lottery game product pursuant to the terms of its Cross-Selling Agreement with the Mega Millions Lotteries, the Multi-State Lottery Agreement and the Group's own rules.

2.18 "Play Slip" or "Bet Slip" means a card used in marking a player's game Plays and containing one or more boards.

2.19 "Set Prize" means all other prizes except the Grand Prize and, except in instances outlined in these procedures, will be equal to the prize amount established by the MUSL Board for the prize level.

2.20 "Subscription" means a Mega Millions bet recorded on the Lottery's central computer system, under the name and address of a subscriber, for a specified range of draw dates.

2.21 "Terminal" means a device authorized by the Lottery to function in an on-line, interactive mode with the Lottery's computer gaming system for the purpose of issuing lottery tickets and entering, receiving, and processing lottery transactions, including purchases, validating tickets, and transmitting reports.

2.22 "Ticketless Transaction" shall include Plays sold through subscription, internet, or non-standard terminals.

2.23 "Winning numbers" means the indicia randomly selected during a drawing event which shall be used to determine winning Plays for the Mega Millions game contained on a game ticket or ticketless transaction.

2.24 "Pari-mutuel" means a system of gaming in which wagered funds are pooled and then paid, in equal shares.

Section 3.0 - GAME DESCRIPTION.

3.1 (a) Mega Millions is a five (5) out of seventy (70) plus one (1) out of twenty-five (25) on-line lottery game, drawn on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries, and which pays the Grand Prize, at the election of the player made in accordance with these procedures or by a default election made in accordance with these procedures, either on a graduated annuitized annual pari-mutuel basis or as a cash value option using a rate determined by the Mega Millions Finance Committee on a

pari-mutuel basis. Mega Millions winning numbers applicable to determine Mega Millions prizes will be determined on the day(s), time(s) and location(s) as determined by the Mega Millions consortium of lotteries. Except as provided in these procedures, all other prizes are paid on a set cash basis.

(b) Mega Millions winning numbers applicable to determine Mega Millions prizes will be determined on the day(s), time(s) and location(s) as determined by the Mega Millions Lotteries. During the drawing event, five (5) numbers shall be drawn from the first set of seventy (70) numbers, and one (1) number shall be drawn from the second set of twenty-five (25) numbers, which shall constitute the Winning Numbers.

(c) To play Mega Millions, a player shall select (or computer pick) five (5) different numbers, from one (1) through seventy (70) and one (1) additional number from one (1) through twenty-five (25). The additional number may be the same as one of the first five numbers selected by the player.

(d) Mega Millions Plays can be purchased for two dollars (U.S. \$2.00), including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery Play.

(e) Plays may be purchased from a Party Lottery approved sales outlet in a manner as approved by the Party Lottery and in accordance with MUSL Rules.

3.2 Claims. A ticket (subject to the validation requirements set forth in Section 7.0 (Play Validation)) or properly registered ticketless transaction, shall be the only proof of a game Play or Plays and the submission of a winning ticket to the issuing Party Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. A Play Slip has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected. A terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of Play purchase or of numbers selected.

3.3 Cancellations Prohibited; Request for Plays, Returned Plays, Incomplete Transaction Plays, Stolen Plays and Refunds for Game Cancellations.

To be effective with the drawing on April 2, 2019.

(a) **Plays Non-Cancellable.** In all instances, a Play recorded on the CGS may not be voided or cancelled by returning the ticket or ticketless transaction to the Retailer or to the Selling Lottery, including tickets that are misprinted, illegible, printed in error, or for any reason not successfully transferred to an authorized selling entity or Player.

(b) **Request for Plays.** A lottery may conduct future sales through a subscription or other system that does not immediately record such sales on the CGS. A "Request for Play" is a sale that is not immediately recorded on the CGS, but is instead recorded onto the CGS at some future time prior to a draw event. At the sole discretion of the lottery, authorized sales through a subscription or other system which have not been recorded on the CGS (instead recorded as "Request for Plays"), may be cancelled at any time prior to the time the Request for Play is recorded as a Play on the CGS. If a Request for Play is cancelled, it shall not be recorded on the CGS.

Per 27.3(a), once a Play is recorded on the CGS, it may not be cancelled at any time. Any cancelled "Request for Play" shall not be included in sales data report to MUSL.

Comment: Examples of instances when Selling Lotteries may desire to permit cancellation of subscription "Request for Plays" include game matrix changes, price changes, modifications of game features, players who enroll in self-exclusion programs, and other circumstances as may be determined by the Selling Lottery.

(c) Returned Plays. To promote good Player or Retailer relations, a Selling Lottery, at its sole discretion, may develop a method of compensating Players or Retailers for Plays accepted by the Selling Lottery as returned to the Selling Lottery ("Returned Plays") that are misprinted, illegible, printed in error, future Plays affected by changes in game features by the Selling Lottery or due to game cancellations.

Returned Plays may not be cancelled or voided. Returned Plays are not reported to MUSL.

The Selling Lottery Must remit its required prize pool contributions on all Plays accepted as returned Plays by the Selling Lottery.

Returned Plays may not be claimed for a prize by any person or entity, including the Selling Lottery. Any prizes which would have been won on a Returned Play shall become an unclaimed prize at the end of the prize claim period.

(d) Incomplete Transaction Plays. Incomplete Transaction Plays occur when a Retailer begins a Play transaction as requested by a Player, and the Play is registered on the CGS, but the transaction is terminated prior to transferring Play confirmation to the Player, there is no attempt to print the Play on a ticket, and the Player has not paid for the Play. Transaction terminations may be due to time sensitivities, communications loss or other issues as accepted by the Selling Lottery.

A Selling Lottery, at its sole discretion, may develop an approved method of managing Incomplete Transaction Plays, subject to these provisions.

Incomplete Transaction Plays may not be cancelled or voided.

The Selling Lottery must remit its required prize pool contributions on any Incomplete Transaction Plays. At its sole discretion, the Selling Lottery may develop a method of compensation Retailers for Incomplete Transaction Plays if Retailers are required to reimburse Selling Lotteries for prize pool contributions.

Incomplete Transaction Plays may not be claimed for a prize by any person or entity including the Retailer. Any prize which cannot be claimed as a prize under this Rule but would otherwise have been won on an Incomplete Transaction Play shall become an unclaimed prize at the end of the prize claim period of the drawing for which the Incomplete Transaction Play was recorded. Incomplete Transaction Plays are not reported to MUSL.

(e) Stolen Plays. Plays reported as stolen from a Retailer that have been recovered cannot be accepted by the Selling Lottery as Returned Plays.

Selling Lotteries may compensate a Retailer for the loss from theft if a Selling Lottery, solely at its discretion, determines to assume such a loss, but Stolen Plays cannot be cancelled or voided.

Ownership of Stolen Plays, and whether any party has a right to claim prizes on Stolen Plays, shall be determined by the rules of the Selling Lottery.

(f) Game Cancellation. In the event of cancellation of the Game by the Product Group prior to the occurrence of all drawings for which Plays have been sold and recorded on the CGS, the Selling Lottery may provide a refund mechanism for such Plays to the Players, and the Selling Lottery shall not be required to remit its prize pool contributions for any such refunded Plays.

(g) Selling Lotteries Prohibited from Claiming Prizes. Selling Lotteries and lottery officials are prohibited from claiming any prizes on Plays that are owned by the Selling Lottery through “Returned Plays” or otherwise acquired and held by the Selling Lottery. Any prizes that would otherwise be won on Plays owned or acquired by Selling Lotteries shall become unclaimed prizes at the end of the prize claim period.

3.4 Player Responsibility. It shall be the sole responsibility of the player to verify the accuracy of the game Play or Plays and other data printed on the ticket or contained in a ticketless transaction. The placing of Plays is done at the player's own risk through the on-line agent who is acting on behalf of the player in entering the Play or Plays. The purchaser of a Play or Plays through a ticketless transaction has the sole responsibility for verifying the accuracy and condition of the data at the time of purchase.

3.5 Entry of Plays. Plays may only be entered manually using the lottery terminal keypad or touch screen or by means of a Play Slip as approved by the Lottery or by such other means as approved by the Lottery. Retailers shall not permit the use of Play Slips, that are not approved by the Lottery. Retailers shall not permit any device to be physically or wirelessly connected to a lottery terminal to enter Plays, except as approved by the Lottery.

3.6 Registration of Plays. Ticketless transaction Plays may be registered by the Lottery at a lottery processing site which meets the requirements established by the Product Group and the MUSL Board.

3.7 Maximum Purchase. Except for a subscription Play purchase when the Party Lottery has a process in place to allow players to make changes to their Play purchases in the event of a game change, the maximum number of consecutive drawings on a single Play purchase is twenty-six (26). The maximum number encompassed by a subscription Play purchase is one hundred four (104).

3.8 In the event of a matrix change, the Party Lottery that issued the subscription will determine the option(s) available to subscription purchasers from that Party Lottery for the balance of Plays remaining on their subscription effective as of the date of the matrix change.

Section 4.0 —MEGA MILLIONS PRIZE POOL

4.1 Mega Millions Prize Pool. The prize pool for all prize categories offered by the Party Lotteries shall consist of up to fifty-five percent (55%) of each drawing period's sales, inclusive of any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery Mega Millions Play, and inclusive of contributions to the prize pool accounts and prize reserve accounts, but may be higher or lower based upon the number of winners at each prize level, as well as the funding required to meet a guaranteed Annuity Grand Prize as may be required by Section 6.1.

4.2 Mega Millions Prize Pool Accounts and Prize Reserve Accounts.

The Product Group shall set the contribution rates to the prize pool and prize reserve accounts established by these procedures.

- (i) The following prize reserve accounts for the Mega Millions game are hereby established:
 - a. The Prize Reserve Account (PRA) which is used to guarantee the payment of valid, but unanticipated, Grand Prize claims that may result from a system error or other reason, to fund deficiencies in the Set-Aside Pool, and to fund pari-mutuel prize deficiencies as defined and limited in Sections 4.3(c)(1)(a) and 17.2(a)(1).
- (ii) The following prize pool accounts for the Mega Millions game are hereby established:
 - a. The Grand Prize Pool (GPP), which is used to fund the current Grand Prize;
 - b. The Set Prize Pool (SPP), which is used to fund the Set Prizes. The SPP shall hold the temporary balances that may result from having fewer than expected winners in the Set Prize (aka low-tier prize) categories. The Source of the SPP is the Party Lottery's weekly prize contributions less actual Set Prize liability; and
 - c. The Set-Aside Pool (SAP) which is used to fund the payment of the awarded minimum starting annuity Grand Prizes and the minimum annuity Grand Prize increase, if necessary (subject to the limitations in these procedures), as may be set by the Product Group. The source of the SAP funding shall accumulate from the difference between the amount in the Grand Prize Pool at the time of a Grand Prize win and the amount needed to fund Grand Prize payments as determined by the Mega Millions lotteries.
- (iii) The above prize reserve accounts shall have maximum balance amounts or balance limiter triggers that are set by the Product Group and are detailed in the Comments to this Section.

The maximum balance amounts and balance limit triggers are subject to review by the MUSL Board Finance and Audit Committee. The Finance and Audit Committee shall have two weeks to state objections, if any, to the approved maximum balance amounts or balance limiter triggers. Approved maximum balance amounts or balance limiter triggers shall become effective no sooner than two weeks after notice is given to the Finance and Audit Committee and no objection is stated or sooner if the Committee affirmatively approves the maximum balance amounts or balance limiter triggers. The Group may appeal the Committee's objections to the full Board. Group approved changes in the maximum balance amounts or

balance limiter triggers set by the Product Group shall be effective only after the next Grand Prize win.

- (iv) The contribution rate to the GPP from the Mega Millions Plays shall be 37.6509% of sales.

An amount of up to five percent (5%) of a Party Lottery's sales, including any specific statutorily mandated tax of a Party Lottery to be included in the price of a lottery Play, shall be added to a Party Lottery's Mega Millions Prize Pool contribution and placed in trust in one or more prize pool and prize reserve accounts held by the Product Group at any time that the Party Lottery's share of the PRA is below the amounts designated by the Product Group. Details shall be noted in the Comments to this Section.

- (v) The Product Group may determine to expend all or a portion of the funds in the prize pools (except the GPP) and the prize reserve accounts:
 - a. for the purpose of indemnifying the Party Lotteries in the payment of prizes to be made by the Selling Lotteries; and
 - b. for the payment of prizes or special prizes in the game, limited to prize pool and prize reserve contributions from lotteries participating in the special prize promotion, subject to the approval of the Board's Finance & Audit Committee or the Committee's failure to object after given two weeks' notice of the planned action, which actions may be appealed to the full Board by the Product Group.
- (vi) The prize reserve shares of a Party Lottery may be adjusted with refunds to the Party Lottery from the prize reserve account(s) as may be needed to maintain the approved maximum balance and sales percentage shares of the Party Lotteries.
- (vii) A Party Lottery may contribute to its sales percentage share of prize reserve accounts over time, but in the event of a draw down from a reserve account, a Party Lottery is responsible for its full sales percentage share of the prize reserve account, whether or not it has been paid in full.

Any amount remaining in the Mega Millions prize pool accounts or prize reserve accounts when the Product Group declares the end of the game shall be returned to the lotteries participating in the prize pool and prize reserve accounts after the end of all claim periods of all Selling Lotteries, carried forward to a replacement game, or otherwise expended in a manner at the election of the individual Members of the Product Group in accordance with jurisdiction statute.

4.3 Expected Prize Payout Percentages. The Grand Prize payout shall be determined on a pari-mutuel basis. Except as otherwise provided in these procedures, all other prizes awarded by Party Lotteries shall be paid as set cash prizes. All prize payouts are made with the following expected prize payout percentages, which does not

include any additional amount contributed to or held in prize reserves, although the prize payout percentages per draw may vary:

Number of Matches Per Play	Prize Payment	Prize Pool Percentage Allocated to Prize	Sales Percentage Allocated to Prize
All five (5) of first set plus one (1) of second set.	Grand Prize	75.3018%*	37.6509%
All five (5) of first set and none of second set.	\$1,000,000	7.9319%	3.9659%
Any four (4) of first set plus one (1) of second set.	\$10,000	1.0742%	0.5371%
Any four (4) of first set and none of second set.	\$500	1.2889%	0.6445%
Any three (3) of first set plus one (1) of second set.	\$200	1.3749%	0.6875%
Any three (3) of first set and none of second set.	\$10	1.6498%	0.8249%
Any two (2) of first set plus one (1) of second set.	\$10	1.4436%	0.7218%
Any one (1) of first set plus one (1) of second set.	\$4	4.4752%	2.2376%
None of first set plus one (1) of second set.	\$2	5.4597%	2.7298%

(a) The Grand Prize amount shall be divided equally by the number Plays winning the Grand Prize.

(b) The SPP (for payment of cash prizes of one million dollars (\$1,000,000.00) or less) shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw.

(c) Pari-mutuel Prize Determinations.

(c)(1) Except as otherwise provided for in Section 4.3(c)(2):

(c)(1)(a) If the total of the Mega Millions Set Prizes (as multiplied by the respective Megaplier multiplier if applicable) awarded in a drawing exceeds the percentage of the prize pool allocated to the Mega Millions Set Prizes, then the amount needed to fund the Mega Millions Set Prizes, including Megaplier prizes, awarded shall be drawn from the following sources, in the following order:

- (i) the amount available in the SPP and the Megaplier Prize Pool, if any;
- (ii) an amount from the PRA, if available, not to exceed forty million dollars (\$40,000,000.00) per drawing.

(c)(1)(b) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes, including Megaplier prizes, then the highest Set Prize shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize shall become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels.

(c)(2) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries shall independently calculate their set pari-mutuel prize amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-mutuel prize amount for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

(d) Except as may be required by Section 6.1, the official advertised Grand Prize annuity amount is subject to change based on sales forecasts and/or actual sales.

(e) Subject to the laws and procedures governing each Party Lottery, the number of prize categories and the allocation of the prize fund among the prize categories may be changed at the discretion of the Mega Millions Lotteries, for promotional purposes. Such change shall be announced by Mega Millions Lotteries.

Section 5.0 -- PROBABILITY OF WINNING MEGA MILLIONS PRIZES. 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 in Mega Millions.

Number of Matches Per Ticket	Probability Distribution		Probable/Set Prize Amount
	Winners	Probability	
All five (5) of first set plus one (1) of second set	1	1:302,575,350	Grand Prize
All five (5) of first set and none of second set	24	1:12,607,306	\$1,000,000
Any four (4) of first set plus one (1) of second set	325	1:931,001	\$10,000
Any four (4) of first set and none of second set	7,800	1:38,792	\$500
Any three (3) of first set plus one (1) of second set	20,800	1:14,547	\$200
Any three (3) of first set and none of second set	499,200	1:606	\$10
Any two (2) of first set plus one (1) of second set	436,800	1:693	\$10
Any one (1) of first set plus one (1) of second set	3,385,2004	1:89	\$4
None of first set plus one (1) of second set	8,259,888	1:37	\$2
Overall	12,610,038	1:24.0	

Section 6.0 -- PRIZE PAYMENT

6.1 Grand Prize.

The prize money allocated from the current Mega Millions prize pool for the Grand Prize, plus any previous portions of prize money allocated to the Grand Prize category in which no matching Plays were sold will be divided equally among all Grand Prize winning Plays in all Participating Lotteries. The annuity Grand Prize amount will be paid in thirty (30) graduated annual installments. Grand Prizes won shall be funded by the Selling Lotteries in accordance with the formula set by the Mega Millions lotteries. The Mega Millions lotteries may set a minimum guaranteed annuity Grand Prize amount that shall be advertised by the selling lotteries as the starting guaranteed annuity Grand Prize amount.

(a) Rollover. If in any Mega Millions drawing there are no Mega Millions Plays which qualify for the Grand Prize category, the portion of the prize fund allocated to such Grand Prize category shall remain in the Grand Prize category and be added to the amount allocated for the Grand Prize category in the next consecutive Mega Millions drawing.

(b) Unless there is a different Party Lottery rule or procedure, Grand Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. If the payment election is not made by the player within sixty (60) days after the player becomes

entitled to the prize, then the prize shall be paid as an annuity prize. The election to take the cash payment may be made within sixty (60) days after the player becomes entitled to the prize. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.

(c) In the event of a prize winner who selects the cash value option, the prize winner's share will be paid in a single payment upon completion of internal validation procedures. The cash option amount shall be determined by the Mega Millions Lotteries.

(d) Graduated annual payment option Grand Prize prizes shall be paid in thirty (30) graduated annual installments upon completion of internal validation procedures. The initial payment shall be paid upon completion of internal validation procedures. The subsequent twenty-nine (29) payments shall be paid graduated annually to coincide with the month of the Federal auction date at which the bonds were purchased to fund the annuity, with graduated annual installments defined in the Mega Millions Lotteries' Finance and Operations Procedures. Payments shall escalate by a factor of 5% annually, and annual payments shall be rounded to the nearest even one thousand-dollar (\$1,000.00) increment. All such payments shall be made within seven (7) days of the anniversary of the annual auction date.

(e) If individual shares of the cash held to fund an annuity is less than two hundred fifty thousand dollars (\$250,000.00), the Product Group, in its sole discretion, may elect to pay the winners their share of the cash held in the Grand Prize pool. All annuitized prizes shall be paid graduated annually in thirty (30) payments with the initial payment being made in cash, to be followed by twenty-nine (29) payments funded by the annuity. Prize payments may be rounded down to the nearest one thousand dollars (\$1,000.00).

(f) Funds for the initial payment of an annuitized prize or the lump sum cash prize shall be made available by MUSL for payment by the Party Lottery on a schedule approved by the Product Group. If necessary, when the due date for the payment of a prize occurs before the receipt of funds in the prize pool trust sufficient to pay the prize, the transfer of funds for the payment of the full lump sum cash amount may be delayed pending receipt of funds from the Party Lotteries or other lotteries participating in the Mega Millions Game. A Party Lottery may elect to make the initial payment from its own funds after validation, with notice to MUSL.

(g) In the event of the death of a lottery winner sold by a Party Lottery during the annuity payment period, unless prohibited by jurisdictional law, the MUSL Finance & Audit Committee, in its sole discretion excepting a discretionary review by the Product Group, upon the petition of the estate of the lottery winner (the "Estate") to the lottery of the jurisdiction in which the deceased lottery winner purchased the winning Play, and subject to federal, state, district or territorial applicable laws, may accelerate the payment of all of the remaining lottery proceeds to the Estate. If such a determination is made, then securities and/or cash held to fund the deceased lottery winner's annuitized prize may be distributed to the Estate. The identification of the securities to fund the annuitized prize shall be at the sole discretion of the Finance & Audit Committee or the Product Group.

(i) If a Party Lottery purchases or holds the prize payment annuity for a prize won in that jurisdiction, that Party Lottery's game rules or procedures, and any prize payment agreement with the prize winner, shall indicate that the prize winner has no recourse on the MUSL or any other Party Lottery for payment of that prize.

6.2 Low-Tier Cash Prize Payments. All low-tier cash prizes (all prizes except the Grand Prize) shall be paid in cash through the Party Lottery which sold the winning Play(s). A Party Lottery may begin paying low-tier cash prizes after receiving authorization to pay from the MUSL central office.

6.3 Prizes Rounded. Annuitized payments of the Grand Prize or a share of the Grand Prize may be rounded to facilitate the purchase of an appropriate funding mechanism. Breakage on an annuitized Grand Prize win shall be added to the first cash payment to the winner or winners. Prizes other than the Grand Prize, which, under these procedures, may become single-payment, pari-mutuel prizes, may be rounded down so that prizes can be paid in multiples of whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the prize pool for the next drawing.

6.4 Reserved

6.5 Reserved

6.6 Limited to Highest Prize Won. The holder of a winning Play may win only one prize per Play in connection with the winning numbers drawn, and shall be entitled only to the prize won by those numbers in the highest matching prize category. All liability for a Mega Millions prize are discharged upon payment of a prize claim.

6.7 Prize Claim Period. Prize claims shall be submitted within the period set by the Party Lottery selling the Play, which in Vermont is one year from the prize eligibility date. The prize eligibility date is the date of the winning draw.

6.8 Prize Assignment. Payment of a prize may be made to a person other than the winner pursuant to 31 V.S.A. § 652(c), which adopts the payment provisions of 31 V.S.A. § 674L.1.1A-1I.

Section 7.0 —PLAY VALIDATION.

7.1 General Requirements for Validation. To be a valid Play and eligible to receive a prize, a Play's ticket or ticketless transaction shall satisfy all the requirements established by a Party Lottery for validation of winning Plays sold through its on-line system and any other validation requirements adopted by the Product Group and the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. The MUSL and the Party Lotteries shall not be responsible for Plays which are altered in any manner.

7.2 Specific Requirements for Validation of Tickets Sold in Vermont

- (a)** Under no circumstances will a claim be paid for either the Grand Prize or the Second prize without an official Mega Millions ticket (or subscription) matching all game Play, serial number and other validation data residing in the Lottery's gaming system computer and such ticket (or subscription) shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize.

(b) To be a valid Play and eligible to receive a prize, all the following requirements must be satisfied:

(1) The Play must have been issued by the Lottery through a licensed agent, via a terminal, in an authorized manner. The ticket must be intact and must not be mutilated, altered, reconstructed, or tampered with in any manner.

(2) The Play data must have been recorded in the Lottery's central computer system at least sixty (60) minutes prior to the drawing; even if it appears that a bet is accepted (by virtue of a printed ticket), any bet placed other than at least sixty (60) minutes prior to the drawing (regardless of when the drawing is held) is void.

(3) The information appearing on the ticket must correspond precisely with the party Lottery's computer record. In the event of a contradiction between information as printed on the ticket and as accepted by the Lottery's central computer system, the wager accepted by the Lottery's central computer system shall be the valid wager.

(4) The validation data must appear in its entirety, and correspond, using a computer validation file, to the winning game Play or Plays printed on the ticket. The ticket stock sequential number on the back of the ticket must correspond to the Lottery's inventory records.

(5) The ticket must not be defectively printed, fuzzy, produced in error, counterfeit in whole or in part, altered, unreadable, reconstructed, tampered with in any manner, stolen, blank or partially blank, misregistered, or defective. The ticket must not be an exact duplicate of another winning ticket.

(6) All information appearing on an apparent winning Play must correspond to the Lottery's records of winning Play, and another Play with identical data shall not have been paid.

(7) The ticket must be intact, fully legible, complete and not miscut, and correspond to the data on file at the Lottery in every respect.

(8) The Play must pass all other security criteria as determined by the Mega Millions Finance and Operations Procedures Section 15, the Lottery and MUSL.

(9) The Play must be validated in accordance with the provisions of these procedures relating to the procedures for claiming prizes and for the payment thereof.

(10) An apparent winning ticket shall be void unless the ticpaper stock roll which was in use at the time of the bet by, and validly issued to, the agent from whom the ticket was purchased.

(c) In the event that a Play fails to pass all the criteria set forth in subpart (b) of this Section, the Play shall be deemed void and ineligible for any prize and shall not be paid. In the event of a dispute or other instance of doubt, the decision of the Commissioner of Liquor and Lottery shall be final and binding. If the Commissioner of Liquor and Lottery determines that the Play is not eligible to receive a prize, then the Commissioner of Liquor and Lottery may, at the Commissioner of Liquor and Lottery's option, replace an invalid, defective or otherwise erroneous Play with a Play of equivalent sales price from any current lottery game. Replacement of the Play shall be the bearer or claimant's sole and exclusive remedy.

Section 8.0 —PLAY RESPONSIBILITY.

8.1 Signature. Until such time as a subscription Play is properly and validly registered with the lottery, or until such time as a signature, or printed name is placed upon a ticket in the area designated for signature, or name, a ticket shall be owned by the bearer of the ticket. When a subscription Play is validly and properly registered with the lottery, or when a signature, or name is placed on the ticket in the place designated, the person who has registered the ticket, or if not registered, whose signature, or name appears in such area shall be the owner of the ticket and shall be entitled (subject to the validation requirements in Section 7.0 (Ticket Validation) and state or district law) to any prize attributable thereto.

8.2 Multiple Signatures. The manner of payment of prizes for valid winning Plays bearing multiple signatures, or names shall be determined by the Law of the State of Vermont.

8.3 Stolen Plays. The Product Group, the MUSL and the Party Lotteries shall not be responsible for lost or stolen Plays.

8.4 Subscription Plays. A receipt for a ticketless transaction Play has no value and is not evidence of a Play. A ticketless transaction Play is valid when registered with the Lottery in accordance with these procedures and the person or persons registering the Play shall be the owner of the ticketless transaction Play.

8.5 The Party Lotteries shall not be responsible to a prize claimant for Plays redeemed in error by a selling agent, or retailer.

8.6 Winners are determined by the numbers drawn and certified by the independent auditor responsible for auditing the Mega Millions draw. MUSL and the Party Lotteries are not responsible for Mega Millions winning numbers reported in error.

Section 9.0 - INELIGIBLE PLAYERS.

9.1 A Play or share for a MUSL game issued by the MUSL or any of its Party Lotteries shall not be purchased by, and a prize won by any such Play or share shall not be paid to:

- (a)** a MUSL employee, officer, or director,
- (b)** a contractor or consultant under agreement with the MUSL to review the MUSL audit and security procedures,
- (c)** an employee of an independent accounting firm under contract with MUSL to observe drawings or site operations and actually assigned to the MUSL account and all partners, shareholders, or owners in the local office of the firm, or
- (d)** an immediate family member (parent, stepparent, child, stepchild, spouse, or sibling) of an individual described in subsections (a), (b), and (c) and residing in the same household.

9.2 No tickets or subscription may be sold to, or purchased by, individuals who have not attained the age of majority. However, Plays or subscriptions may be given as gifts to minors or any other individuals except as prohibited by Vermont law.

9.3 A Play or share of the Mega Millions game may not be purchased in any lottery jurisdiction by any Party Lottery board member; commissioner; officer; employee; or spouse, child brother, sister or parent residing as a member of the same household in the principle place of residence of any such person. Prizes shall not be paid to any persons prohibited from playing Mega Millions in a particular jurisdiction by rules, procedures, governing law, or any contract executed by the Selling Lottery. In particular, no member of the Vermont Board of Liquor and Lottery or employee of the Vermont Department of Liquor and Lottery, or members of their immediate household, may claim or receive prize money in any lottery operated by the Vermont State Lottery, including but not limited to MegaMillions.

Section 10.0 — APPLICABLE LAW.

In purchasing a Play, or attempting to claim a prize in Vermont, purchasers and prize claimants agree to comply with and abide by all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery, and by directives and determinations of the Commissioner of Liquor and Lottery of the Vermont State Lottery. Additionally, the player shall be bound to all applicable provisions in the Mega Millions Finance and Operations Procedures. A prize claimant agrees, as its sole and exclusive remedy that claims arising out of a Play can only be pursued against the Party Lottery which issued the Play. Litigation, if any, shall only be maintained within the jurisdiction in which the Play was purchased and only against the Party Lottery that issued the Play. No claim shall be made against any other Party Lottery or against MUSL. Nothing in these procedures shall be construed as a waiver of any defense or claim the Party Lottery which

issued the Play, any other Party Lottery, or MUSL may have in any litigation, including in the event a player or prize claimant pursues litigation against a Party Lottery or MUSL, or their respective officers, directors or employees. All decisions made by a Party Lottery, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions procedures, shall be final and binding on all Play purchasers and on every person making a prize claim in respect thereof, but only in the jurisdiction where the Play was issued. Unless the laws, rules, regulations, procedures, and decisions of the Party Lottery which issued the Play provide otherwise, no prize shall be paid upon a Play purchased, claimed or sold in violation of these procedures or the laws, rules, regulations, procedures, and decisions of that Party Lottery; any such prize claimed but unpaid shall constitute an unclaimed prize under these procedures and the laws, rules, regulations, procedures, and decisions of that Party Lottery.

PART III – SPECIAL GAME PROCEDURES: MEGA MILLIONS® MEGAPLIER®

Section 11.0 - MEGAPLIER DESCRIPTION.

The Mega Millions Megaplier feature is a limited extension of the Mega Millions game and is conducted in accordance with the Mega Millions game procedures and other lottery rules or procedures applicable to the Mega Millions game except as may be amended herein. The Megaplier feature will run concurrently with Mega Millions and will continue until discontinued by the Lottery. The feature will offer to the owners of a qualifying Megaplier Play a chance to multiply or increase the amount of any of the lump sum Set Prizes (the lump sum prizes normally paying two dollars (\$2.00) to one million dollars (\$1,000,000.00) won in a drawing held during the promotion. The Grand Prize jackpot is not a Set Prize and will not be multiplied or increased by means of the Megaplier feature.

Section 12.0 — QUALIFYING PLAY.

A qualifying Megaplier Play is any single Mega Millions Play for which the player pays an extra one dollar (\$1.00) for the Megaplier option and which is recorded on the Party Lottery's computer gaming system as a qualifying Megaplier Play.

Section 13.0 — PRIZES TO BE INCREASED.

Except as provided in these procedures, a qualifying Megaplier Play which wins one the lump sum Set Prizes will be multiplied by the number drawn, either two, three, four or five (2, 3, 4 or 5), in a separate random Megaplier drawing announced in a manner approved by the Product Group.

Section 14.0 — MEGAPLIER DRAWS.

MUSL will either itself conduct, or authorize a U.S. Lottery to conduct on its behalf, a separate random “Megaplier” drawing. Before each Mega Millions drawing a single number (2, 3, 4 or 5) shall be drawn. The Mega Millions Group may change one or more of the multiplier numbers for special promotions from time to time. In the event the multiplier drawing does not occur prior to the Mega Millions drawing, the multiplier number will be a five (5), which shall solely be determined by the lottery authorized to conduct the “Megaplier” drawing.

Section 15.0 — PRIZE POOL.

15.1 Prize Pool.

(a) The Megaplier Prize Pool (MPP) is hereby created and shall be used to fund Megaplier prizes. The MPP shall hold the temporary balances that may result from having fewer than expected winning Megaplier Plays. The source of the MPP is the Party Lottery’s weekly prize contributions less actual Megaplier Prize liability.

(b) Up to fifty-five percent (55%) of each drawing period’s sales, as determined by the Game Group, including any specific statutorily-mandated tax on a Party Lottery to be included in the price of a lottery ticket, shall be collected for the payment of Megaplier prizes.

(c) Prize payout percentages per draw may vary. The MPP shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the Megaplier prizes awarded in the current draw and held in the MPP.

15.2 End of Game. Any amount remaining in the MPP at the end of this game shall be carried forward to a replacement game or expended in a manner as directed by the Members of the Product Group in accordance with jurisdiction law.

15.3 Expected Prize Payout. Except as provided in these procedures, all prizes awarded shall be paid as lump sum set prizes. Instead of the Mega Millions set prize amounts, qualifying Megaplier Plays will pay the amounts shown below when matched with the Megaplier number drawn:

	Prize Levels Standard	With Megaplier Purchase				
Prize Levels with Megaplier Purchase and Multiplier						
	Standard	2X	3X	4X	5X	
Match 5+0	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000	
Match 4+1	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	
Match 4+0	\$500	\$1,000	\$1,500	\$2,000	\$2,500	
Match 3+1	\$200	\$400	\$600	\$800	\$1,000	
Match 3+0	\$10	\$20	\$30	\$40	\$50	
Match 2+1	\$10	\$20	\$30	\$40	\$50	
Match 1+1	\$4	\$8	\$12	\$16	\$20	
Match 0+1	\$2	\$4	\$6	\$8	\$10	

The Megaplier Promotion and multiplier numbers do not apply to the Mega Millions Grand Prize

In certain rare instances, the Mega Millions set prize amount may be less than the amount shown. In such case, Megaplier prizes will be a multiple of the changed Mega Millions prize amount, announced after the draw. For example, if the Match 4+1 Mega Millions set prize amount of ten thousand dollars (\$10,000) becomes two thousand dollars (\$2,000) under the procedures of the Mega Millions game, then a Megaplier player winning that prize amount with a 4X multiplier would win eight thousand dollars (\$8,000) (\$2,000 x 4).

Section 16.0 — PROBABILITY OF WINNING. The following table sets forth the probability of the various Megaplier numbers being drawn during a single Mega Millions drawing. The Group may elect to run limited promotions that may modify the multiplier features.

Megaplier		Probability of Prize Increase
5X	- Prize Won Times 5	1 in 15
4X	- Prize Won Times 4	3 in 15
3X	- Prize Won Times 3	6 in 15
2X	- Prize Won Times 2	5 in 15

The Megaplier Promotion and multiplier numbers do not apply to the Mega Millions Grand Prize.

Section 17.0 — LIMITATIONS ON PAYMENT OF MEGAPLIER PRIZES.

17.1 Prize Pool Carried Forward. The prize pool percentage allocated to the Megaplier set prizes shall be carried forward to subsequent draws if all or a portion of it is not needed to pay the set prizes awarded in the current draw or may be held in a prize reserve account.

17.2 Pari-Mutuel Prizes—All Prize Amounts. Except as otherwise provided for in Section 17.2 (b).

(a)(1) If the total of the original Mega Millions set prizes and the Megaplier prize amounts awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, then the amount needed to fund the Set Prizes (including the Megaplier prize amounts) awarded shall be drawn from the following sources, in the following order:

(i) the amount available in the SPP and the MPP, if any;

(ii) an amount from the PRA, if available in the account, not to exceed forty million dollars (\$40,000,000) per drawing.

(a)(2) If, after these sources are depleted, there are not sufficient funds to pay the Set Prizes awarded (including Megaplier prize amounts), then the highest Set Prize (including the Megaplier prize amounts) shall become a pari-mutuel prize. If the amount of the highest Set Prize, when paid on a pari-mutuel basis, drops to or below the next highest Set Prize and there are still not sufficient funds to pay the remaining Set Prizes awarded, then the next highest Set Prize, including the Megaplier prize amount, shall

become a pari-mutuel prize. This procedure shall continue down through all Set Prize levels, if necessary, until all Set Prize levels become pari-mutuel prize levels. In that instance, the money available from the funding sources listed in this Section shall be divided among the winning Plays in proportion to their respective prize percentages. Mega Millions and Megaplier prizes will be reduced by the same percentage.

(b) By agreement with the Mega Millions Lotteries, the Mega Millions Lotteries shall independently calculate their set pari-mutuel prize amounts, including the Megaplier prize amounts. The Party Lotteries and the Mega Millions Lotteries shall then agree to set the pari-mutuel prize amounts for all lotteries selling the game at the lesser of the independently-calculated prize amounts.

Section 18.0 – PRIZE PAYMENT

18.1 Prize Payments. All Megaplier prizes shall be paid in one lump sum through the Party Lottery that sold the winning Play(s). A Party Lottery may begin paying Megaplier prizes after receiving authorization to pay from the MUSL central office.

18.2 Prizes Rounded. Prizes, which, under these procedures, may become pari-mutuel prizes, may be rounded down so that prizes can be paid in whole dollars. Breakage resulting from rounding these prizes shall be carried forward to the MPP for the next drawing.

PART IV AGENTS

Section 19.0 - Agents

19.1 Agents selling Mega Millions and Megaplier tickets shall comply with all applicable Vermont laws, rules, regulations, procedures, and decisions of the Lottery and with all applicable MUSL rules, regulations and requirements.

19.2 Each agent shall receive 6.00 percent (6%) of gross receipts for Mega Millions and Megaplier tickets sold by that agent as a commission. The 6.00 percent (6%) commission applies to Mega Millions and Megaplier sales only.

PART V SUBSCRIPTIONS

Section 20.0 - Subscriptions

20.1 Specific information required for a subscription

(a) To play by subscription a player shall provide the lottery with the following information:

(1) 5 different 2-digit numbers between one (01) and a designated number and one additional 2-digit number between one (01) and a designated number;

- (2)** Name;
- (3)** A Vermont mailing address;
- (4)** Home telephone number;
- (5)** Work telephone number, if applicable;
- (6)** A gift message, if applicable;
- (7)** The number of draws the subscription shall be valid;
- (8)** Indicate Megaplier Option (Yes or No)
- (9)** Affirmation of age eligibility; and
- (10)** Payment method.

(b) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont State Lottery and attached to the subscription application form.

(c) [Reserved]

(d) The completed subscription form shall be forwarded to the lottery headquarters for processing.

(e) Upon receipt of the subscription application, the lottery shall enter the subscribers' information into a lottery approved subscription database program.

(f) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

(g) The database program will assign the following identification numbers to the subscription:

(1) Subscriber number; and

(2) Subscription number.

(h) The lottery will assign the following identification numbers to the subscription:

(1) Batch number; and

(2) Sequence or certificate number.

(i) The lottery shall print a subscription confirmation card which shall list the following information:

- (1)** Subscriber name;
- (2)** Subscriber address;
- (3)** 5, 2-digit numbers and 1, additional 2-digit number;
- (4)** Megaplier Option (Yes or No)
- (5)** Day, month and year the subscription is effective;
- (6)** Day, month and year the subscription expires;
- (7)** A gift message, if applicable;
- (8)** Subscription number;
- (9)** Batch number; and
- (10)** Sequence or certificate number.

(j) The lottery shall forward a subscription confirmation card to the subscriber.

(k) It shall be the sole responsibility of the player to verify the following are correct:

- (1)** Subscriber name;
- (2)** Subscriber address;
- (3)** Subscriber chosen 5, 2-digit numbers and one additional 2-digit number;
- (4)** Megaplier Option (Yes or No)
- (5)** Subscription Play length; and
- (6)** Effective and expiration dates.

(l) It shall be the sole responsibility of the subscriber to notify the party lottery of incorrect data on the confirmation card prior to the effective date of the subscription.

(m) A subscription application form has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.

(n) Once a subscription Play is registered with the lottery, the registration shall constitute the only acceptable evidence of Play for the subscriber.

(o) A subscription does not become effective until the effective date listed on the confirmation card, which shall match the effective date listed in the party lottery's subscription database.

(p) Any changes to a subscriber's name or address shall be requested in writing by the subscriber and include the previous name and address. Name and address changes shall require a notarized letter from the subscriber.

(q) There shall be no changes to the subscriber's numbers during the effective dates of the subscription unless authorized by MUSL.

(r) Prizes shall be paid, by check or by expiration date extensions, as determined by MUSL.

(s) Prize checks shall be made payable to the subscription name(s) as recorded in the lottery's central computer system;

(t) Subscriptions, once in effect, cannot be cancelled in whole or in part except as determined by MUSL.

(u) Subscription renewal forms shall be forwarded to the subscriber by the lottery within a time period prior to the subscription's expiration date as determined by MUSL.

(v) The subscription renewal form shall contain the following information:

(1) Subscriber's name;

(2) Subscriber's address;

(3) 5-2-digit numbers and one additional 2-digit number;

(4) Megaplier Option (Yes or No)

(5) Subscriber number;

(6) Subscription number; and

(7) Expiration date including free Play extensions, if any.

(w) If the subscriber elects to continue a subscription, the subscriber shall provide the lottery with the following information:

(1) Subscription Play length;

(2) Megaplier Option (Yes or No)

(3) Change of address, if applicable;

(4) Payment method; and

(5) A change of numbers of 5-2 digit numbers and 1 additional 2-digit number, if applicable.

(x) [Reserved]

(y) If the subscriber selects payment for subscription by check, the check shall be payable to the Vermont State Lottery and attached to the subscription renewal form.

(z) The completed subscription renewal form shall be forwarded to the lottery headquarters for processing.

(aa) Upon receipt of the subscription renewal form, the lottery shall enter the subscriber's information into a lottery approved subscription database program.

(ab) The database program will assign the next available effective draw date for the subscription, as determined by MUSL.

(ac) The database program will assign a unique subscription number to the subscription:

(ad) The lottery will assign the following identification numbers to the subscription:

(1) Batch number; and

(2) Sequence or certificate number.

(ae) The party lottery shall print a subscription confirmation card which shall list the following information:

(1) Subscriber name;

(2) Subscriber address;

(3) 5, 2-digit numbers and 1, additional 2-digit number;

(4) Megaplier Option (Yes or No)

(5) Day, month and year the subscription is effective;

(6) Day, month and year the subscription expires;

(7) A gift message, if applicable;

(8) Subscription number;

(9) Batch number; and

(10) Sequence or certificate number.

(af) The party lottery shall forward a subscription confirmation card to the subscriber.