



MEMORANDUM

To: California State Lottery Commission **Date:** August 9, 2006

From: Joan M. Borucki
Acting Director

Prepared By: Jim Hasegawa, Director
Marketing Division

Subject: Item 10(a) – Approval of Scratchers® Game Profiles for Games 489, 490, 491, 493, 494, 495, 496, and 497

ISSUE

Should the California State Lottery Commission (Commission) approve the Game Profiles for 489, 490, 491, 493, 494, 495, 496, and 497 Scratchers Games?

RECOMMENDATION

California State Lottery (Lottery) staff recommends that the Commission approve the Game Profiles for Scratchers Games 489, 490, 491, 493, 494, 495, 496, and 497.

BACKGROUND

Scratchers Games 489, 490, 491 are scheduled to launch in November 2006 followed by Scratchers Games 493, 494, and 495 in December 2006. Games 496 and 497 are planned for a January 2007 start date.

DISCUSSION

Scratchers Game 489 – “Holiday Gift Tag”

Prior holiday gift tag games have been popular with our players. These types of games provide the gift giver with a usable “gift tag” that has an opportunity to win money for the gift recipient. The use of a Match 3 playstyle on this \$1 game will also help reinforce the simplicity of this game. In addition, a specific variant was added to this game so players can automatically win \$10 by uncovering a special symbol in the “Quick \$10 Spot.” The top prize for this game is \$1,000 with overall odds of winning at 1 in 4.62.

Scratchers Game 490 – “Gimme 5”

This \$1 game will have the Key Number Match playstyle used in Game 466 (Easy 8's). In Game 490, players can win the indicated prize by uncovering a “5” in the play area and a chance of winning up to six times on a ticket. The appeal of this game is delivering over 6 million winners. Staff recommends a top prize of \$555 and overall odds of winning at 1 in 5.27.

Scratchers Game 491 – “American Idol”

To help stimulate sales of the Scratchers product line during the important holiday season, staff recommends introducing a \$2 game that lends itself to a variety of promotional and publicity efforts. After reviewing various licensed properties available in the industry and analyzing recent consumer research, staff recommends introducing an “American Idol” themed game.

The game will launch at the beginning of November and run through May prior to the season finale. As such, the game will be on sale and be promoted when American Idol launches its sixth season in January. Staff believes that this game has the greatest potential for consumer promotions and for publicity as the television show and its contestants are very newsworthy and have a big base of adoring fans. American Idol is consistently one of the highest rated shows on television, and over a billion votes from viewers were cast during the competition.

In the proposed game, players can win American Idol prizes that are not available anywhere else. The grand prize will be a once in a lifetime trip to participate in the glamour and excitement surrounding the final episode in May, 2007. A total of 92 winners will receive a trip for two to Hollywood including luxurious accommodations, limousine transportation and attendance at a special American Idol gala event on the night of the season finale. And, at least one of these winners will be chosen that evening to sit in the studio audience of the live finale to see who will become the next American Idol.

In addition, there will be merchandise prize packages including American Idol insignia apparel, a wristwatch, a messenger bag, a cap and a leather jacket.

There is no license fee associated with this game. The cost is covered through the purchase of the merchandise packages and American Idol trips in the game's prize structure.

Staff recommends a game utilizing a key number match playstyle along with the ability to double a prize with the specified symbol. In addition, the game is slated to have an instant top prize of \$10,000 and overall odds of 1 in 4.17. The American

Idol prizes will be awarded through a second chance drawing. A total of four drawings will be conducted during the course of the game. Players can enter by submitting non-winning tickets from this specific game.

Scratchers Game 493 – “Cash Cow”

This \$1 game will have a Match 3 playstyle. A specific variant was also added to this game so players can win \$10 automatically by uncovering a special symbol in the “Quick \$10 Spot.” Game 493 was designed to attract infrequent players after the Holiday season through a light-hearted animal theme. The uniqueness of this game is having the ability to deliver over \$6.4 million in prizes from \$10 to \$1,000. The top prize for this game is \$1,000 with overall odds of winning at 1 in 5.04.

Scratchers Game 494 – “Cherry Tripler”

In September 2005, the Lottery launched Game 447, with a cherry theme, which was one of the best selling \$1 games last fiscal year. The success of Game 447 has provided staff with an opportunity to use the popularity of this theme at the \$2 price point. Game 494 is designed with a Match 3 playstyle with a specific variant that captures the popularity of cherry image graphics. Players can win up to ten times on a ticket and have the ability to triple their prize by matching two symbols and the unique “cherry” symbol. Game 494 has over \$7.3 million in prizes that triple, a top prize of \$9,000, and overall odds of winning at 1 in 4.74.

Scratchers Game 495– “TBD”

Game 495 is the next \$5 game and builds upon the successful price point with a Key Number Match playstyle and specific variant. The unique game features include winning up to sixteen times on one ticket and automatically multiplying a prize two, five, ten, or even twenty times the total prize amount won by uncovering a special multiplier symbol in the multiplier play area. Players can also automatically win \$50 by uncovering a “50” play symbol in the “Fast 50” play area. The suggested top prize for this game is \$100,000 with overall odds of winning at 1 in 3.38.

Scratchers Game 496– “Crazy 8’s”

Game 496 will have a Tic Tac Toe playstyle and uses “8’s” as the main visual. This \$1 game will have a separate prize box on the ticket indicating what the player wins if three winning symbols in a row, column, or diagonal are revealed. This game was developed to reinforce the “8” theme through a prize structure that can deliver over \$8 million in prizes that are \$8 to \$25. The recommended top prize for this game is \$888 with overall odds of winning at 1 in 5.28.

Scratchers Game 497– “TBD”

The Lottery conducted a recent player study on several game concepts in which “Multi Money” was ranked as one of the top game concepts tested. The main

benefit of this concept is that players can win multiple ways in a game by matching their "Lucky Number" to the unique numbers in each of the five games on a ticket. Players will have up to fifteen chances to win a prize. Players can also automatically multiply a prize five times the amount shown in each game by uncovering the "unique" symbol in each of the five games. Staff recommends introducing this game concept to our players as a \$2 game with a Key Number Match playstyle. The recommended top prize for this game is \$20,000 with overall odds of winning at 1 in 4.63.

Scratchers Games 492 (Bonus Crossword) and 498 (Diamond White 7's)

Game 492 is scheduled for launch in November 2006 and Game 498 will launch in January 2007. Game 468 (Bonus Crossword) was previously approved by the Commission in January 2006 and is "materially similar" to Game 492. Game 478 (Emerald Green 7's) was previously approved by the Commission in March 2006 and is "materially similar" to Game 498. Although game profiles for these games are attached for the edification of the Lottery's Commissioners, Commission approval is not required for these games.