



MEMORANDUM

To: California State Lottery Commission **Date:** January 17, 2007

From: Joan M. Borucki
Acting Director

Prepared By: Susan Kossack, Chief
Product Development, Executive Division

Subject: Item 9(a) – Approval of Scratchers® Game Profiles for Games 509, 510, 511, 512, 513, 514, 515, 516, 517 and Amendments to Previously Approved Game 507 and 508 Profiles

ISSUE

Should the California State Lottery Commission (Commission) approve Game Profiles for Scratchers Games 509, 510, 511, 512, 513, 514, 515, 516, and 517 and amendments to previously approved Game 507 and 508 profiles?

RECOMMENDATION

Staff recommends that the Commission approve Game Profiles for Scratchers Games 509, 510, 511, 512, 513, 514, 515, 516, and 517 and amendments to previously approved Game 507 and 508 profiles.

BACKGROUND

Scratchers Games 509, 510, 511, and 512 are scheduled to launch May 2007, while Games 513, 514, 515, and 516 will launch June 2007. The introduction of Game 517 is contingent upon funding levels at the end of the fiscal year.

Games 507 and 508 were approved at the November 1, 2006 Commission Meeting. Since that time, staff negotiated a more attractive merchandise package through Scientific Games Inc./Media Drop-In for these Major League Baseball games. Staff would like to amend Game 507 and 508 prize structures to reflect these negotiated changes.

DISCUSSION

Scratchers Game 509 – “Solid Gold”

This \$1 game will have a Key Number Match playstyle. Players can automatically double their prize by uncovering the specified symbol in the play area. Players can also win up to five times on a ticket, with a top prize of \$2,000 and overall odds of 1 in 5.22.

Scratchers Game 510 – “TBD”

Game 510 is developed as a \$2 Tic-Tac-Toe game. Our previous Tic-Tac-Toe Game 483 was created with three games for the price of \$2, which has been a popular feature with players. Staff would like to maintain the popularity of this unique feature in Game 510. Separate prize boxes for each of the three Tic-Tac-Toe games will appear on the ticket, indicating the prize won when three winning symbols in a row, column, or diagonal are revealed. The top prize for this game is \$10,000, with overall odds of winning of 1 in 4.61.

Scratchers Game 511 – “Bingo Doubler”

Bingo-themed games continue to be popular games with players. To maintain the enthusiasm of players for the Bingo product, the California State Lottery (Lottery) has launched several game features (e.g. additional bonus numbers, extra “free” play spots, “wild” symbol) to “freshen” the appeal of this product category. Staff believes the next step in the evolution of the Lottery Bingo products is to incorporate a multiplier symbol that would double the potential prize win in a particular “card” on the ticket. If a player completes the Bingo line pattern on a card with the multiplier symbol in the line pattern, the player will double the prize won for that “card.”

Staff has developed Game 511 with this multiplier feature. The specified multiplier symbol appears in various areas on a player’s card for this \$3 game using the familiar style of Bingo play. If players complete a vertical, horizontal, or diagonal line, four corners, or an “X” pattern with this multiplier symbol, they will double the prize won. The game will incorporate the use of four Bingo Cards, twenty-five Caller’s Cards, and five bonus numbers. The continuity of these game features and the addition of the multiplier feature should increase the overall play experience for this game.

The recommended top prize for this game is \$20,000, and the overall odds of winning any prize are 1 in 3.82.

Scratchers Game 512 – “TBD”

This \$5 game is scheduled for launch in May 2007 and will showcase a top prize of \$100,000. This game will have a Match 3 with a specific variant playstyle and offer sixteen chances to win on each ticket. In addition, players will have an opportunity

to multiply their prize two times, ten times or twenty times if they reveal the specified symbols. This game will deliver over \$51 million in cash prizes. The overall odds of winning a prize in this game are 1 in 3.89.

Scratchers Game 513 – “TBD”

This \$1 game was developed with a Match 3 playstyle. Players can also automatically win \$10 in the “Quick \$10 Spot” area of the ticket. The top prize for this game is \$1,000, and overall odds of winning are 1 in 4.98.

Scratchers Game 514 – “TBD”

This \$2 game will feature a Key Number Match with specific variant playstyle and the ability to win up to ten times on each ticket. Players can also automatically multiply a prize by five times by uncovering a “5X” symbol, or ten times by uncovering a “10X” symbol. The top prize for this game is \$10,000, with overall odds of winning of 1 in 4.70.

Scratchers Game 515 – “Red, White, & Blue 7’s”

With a proposed launch in June 2007, this \$3 game provides the ideal opportunity to focus on popular summer holidays: Memorial Day, Independence Day, and Labor Day. The use of “stars and stripes” visuals and eye-appealing colors of red, white, and blue are typical design elements used to capture these summer holidays.

Staff recommends reinforcing the popularity of these holidays by designing Game 515 in a way that will convey a celebratory summer feel. This game will have a Key Number Match playstyle and ability to win up to twelve times on a ticket through the use of four winning numbers. Players can also multiply their prize amount seven times by uncovering a special multiplier symbol. The top prize for this game is \$47,777, and overall odds of winning are 1 in 4.36.

Scratchers Game 516 – “TBD”

Other Lottery jurisdictions have successfully launched \$10 games by offering one-of-a-kind prize experiences. The popularity of higher-priced games is seen throughout the lottery industry and remains a staple in many lotteries’ game mixes today. There are only four other states that do not offer a \$10 game, with the top sixteen per capita states all offering a \$10 price point.

Staff is recommending and introducing its first \$10 game. Game 516 will carry a \$10 price point and offer a Key Number Match playstyle. This game will have twenty “Your Numbers” on the ticket, with six “Winning Numbers” to match against. The game will offer over \$100 million in cash prizes (the highest amount of prizes awarded in any California Lottery Scratchers game), including the opportunity to win one of fifteen \$1,000,000 cash prizes instantly! Players will also have a chance to win a \$1,000,000 prize by entering their non-winning tickets into a 2nd chance

drawing. The odds of winning the 2nd chance \$1,000,000 prize are based on the number of entries received for the drawing.

Staff also recommends including another popular feature to this game, "Winner Take All." This popular feature will allow players an opportunity to win all prizes on a ticket by matching the "Winner Take All" number to the same number in the "Your Numbers" area. Overall odds of winning a prize in Game 516 are 1 in 3.32.

Scratchers Game 517 – "TBD"

Game 517 is another \$10 game that may launch if available funding levels are met during the fiscal year. Staff is recommending this game offer over \$100 million in prizes, with thirty \$500,000 top prizes. This game will have a Key Number Match playstyle and the chance to win up to twenty times on a ticket. To maintain consistency in game features, staff recommends another "Winner Take All" feature to allow players an opportunity to win all prizes on a ticket by matching their "Winner Take All" number to the same number in the "Your Numbers" area. Overall odds of winning a prize are 1 in 3.32.

Scratchers Game 507 and 508 – Major League Baseball (MLB)

Further negotiations with Scientific Games Inc./Media Drop-In allowed staff to reduce the cost of merchandise prize packs with a net savings of \$42,000. Additionally, players will now have the opportunity to select any Major League Baseball team merchandise prize pack (instead of only California teams). The revised prize structure does not impact the overall odds of winning a prize, which remain at 1 in 4.17. The revised prize structures for Games 507 and 508 are attached for Commissioners' approval.