



M E M O R A N D U M

Date: March 25, 2009

To: California State Lottery Commission

From: Joan M. Borucki
Director

Prepared By: Susan S. Kossack, Deputy Director, Marketing

Subject: Item 9(b) – Scratchers® Game Profiles for Games 597, 598, 599, 601, 602, 603, 604, and Alternate Profiles for Future Games

ISSUE

Should the California State Lottery Commission (Commission) approve Game Profiles for Scratchers Games 597, 598, 599, 601, 602, 603, 604, and also approve alternate profiles for future games?

RECOMMENDATION

Staff recommends approval of Game Profiles for Scratchers Games 597, 598, 599, 601, 602, 603, 604, and alternate profiles for future games.

BACKGROUND

Scratchers Games 597, 598, 599, 601, 602, 603, and 604 are scheduled to launch in July and August 2009. Launch schedules for proposed alternate profiles will be determined at a later date.

DISCUSSION

In light of possible prize payout changes, staff proactively developed two sets of profiles for each game, typical game profiles with standard prize payouts and game profiles with higher prize payouts. We are also putting forward alternate game profiles for approval in preparation of the possible passage of the ballot measure allowing for higher prize payouts. All of these actions will allow the California State Lottery to quickly and efficiently optimize the benefits from this possible change. Game profiles with higher prize payouts provide players with increased winning experiences by seeding prize structures with additional winners. This represents another positive step in the direction towards a new and improved Lottery and our focus on creating more winners throughout California.

Game Profiles without ballot measure approval:

Scratchers Game 597-Name TBD

Staff recommends this \$1 game as a Match 3 playstyle with a specific variant. Utilizing whimsical animal-themed graphics, players match three like amounts, to win that prize. In addition, if a player gets the specified symbol in the "Quick Spot" area, the player automatically wins \$7. This game has a \$500 top prize and the overall odds of winning are 1 in 4.89.

Scratchers Game 598 -Name TBD

This \$2 game is recommended as a Key Number Match playstyle with a specific variant. Players match either "Winning Number" to "Your Numbers" to win the associated prize. In addition, if the player finds a specified symbol, they automatically win double the prize shown. The top prize is \$10,000. Overall odds are 1 in 4.21.

Scratchers Game 599 -Name TBD

To tie in with the month of July, staff recommends a 7's game featuring graphics with a patriotic, red, white and blue theme. This game includes a Key Number Match playstyle and two variants. Players revealing a specified "7" symbol will automatically win the prize shown, if another specified "7" symbol is revealed the player automatically wins 7 times that prize. The top prize for this game is \$47,777. Overall odds are 1 in 4.33.

Scratchers Game 601 -Name TBD

Staff recommends launching a \$5 game with a Key Number Match playstyle and a number of specific variants to maintain player interest and excitement. In addition to winning with 2X, 5X, 10X, and 20X multipliers, this game will also include two “Fast Spots”, a Lottery first. Players revealing a special symbol in the “\$20 Fast Spot” can instantly win \$20 and revealing a different special symbol in the “\$50 Fast Spot” can also win \$50 instantly. The top prize for this game is \$100,000. Overall odds are 1 in 3.59.

Unique Scratchers Games “Hit Series”

The industry trend of launching games across price points with a common graphic approach and similar key benefits are known as “family games.” These games incent players to purchase more than one game in order to purchase the entire “family” or group of games. We are recommending the “Hit” series of games with \$1 and \$2 price points as our introductory approach to the “family games” concept.

Scratchers Game 602 -“Hit \$50”

Our \$1 game, “Hit \$50,” will feature a Key Symbol Match playstyle and a top prize of \$50, with a high concentration of \$50 wins. Odds for this win will be better than 1 in 500 and will include over \$2 million in \$50 prizes alone. Players match “Your Numbers” to “Winning Numbers” to win the prize indicated. In addition, if a specific symbol is revealed, players will automatically win \$50. The overall odds of winning are 1 in 5.31.

Scratchers Game 603 -“Hit \$200”

For our \$2 game in the series, staff recommends “Hit \$200.” With a Key Symbol Match playstyle and a top prize of \$200, this game also includes a high concentration of \$200 wins. Odds for this prize will be better than 1 in 700 and over \$5.2 million in \$200 prizes alone. Players match “Your Numbers” to “Winning Numbers” to win the prize indicated. If a specific symbol is revealed, players will automatically win the prize shown and if another specific symbol is revealed the players will win \$200. The overall odds of winning are 1 in 4.55.

Scratchers Game 604 -Name TBD

Staff recommends launching our next \$3 crossword game in August 2009. The strength and attraction for these games is the “Crossword” playstyle. Players win by revealing words in the play area as a result of matching letters found in the “Your Letters” area. The “Prize” amount won depends on the number of words that are completely revealed on the ticket. This game will also feature a new way to win to add to the excitement and extended play value. In addition to the traditional way to play, if a player completely reveals one word with a special red line through the word, they win a different prize. The top prize for this game is \$20,000 and the overall odds of winning are 1 in 3.23.

Game Profiles if ballot measure is approved:

The approval of these game profiles presented today provide staff with the ability to implement these higher payout prize structures into the Lottery's game portfolio as soon as the ballot measure passes. Because of ticket production lead times, staff needs to have these profiles available to implement higher prize payouts seamlessly. Staff will inform the Commission when these prize structures are assigned to specific games. Once legislation passes, staff will develop additional prize structures with higher payouts to support and maintain this new direction.

Scratchers Game 597 - Name TBD

Everything remains the same except for the overall odds which are 1 in 4.76.

Scratchers Game 598 - Name TBD

Everything remains the same except for the overall odds which are 1 in 3.84.

Scratchers Game 599 - Name TBD

Everything remains the same except for the overall odds which are 1 in 3.99.

Scratchers Game 601 -Name TBD

Everything remains the same except for the overall odds which are 1 in 3.57.

Unique Scratchers Games "Hit Series"

Scratchers Game 602 -"Hit \$50"

Everything remains the same except for the overall odds which are 1 in 5.14.

Scratchers Game 603 -"Hit \$200"

Everything remains the same except for the overall odds which are 1 in 4.45.

Scratchers Game 604 -Name TBD

Everything remains the same except for the overall odds which are 1 in 3.22.

Alternate \$1 Scratchers Game Profile C:

Staff recommends a Key Number Match playstyle for this \$1 game. The top prize is \$1,000 and the overall odds of winning are 1 in 4.72.

Alternate \$2 Scratchers Game Profile B:

Staff requests approval for this Key Number Match playstyle with two specific variants, 4X and 8X multipliers. This game has a \$20,000 top prize with overall odds of 1 in 3.72.

Alternate \$3 Scratchers Game Profile B:

Staff recommends a Key Number Match playstyle with three specific variants 4X, 8X, and 10X multipliers. The top prize is \$25,000 and the overall odds of winning are 1 in 3.46.

Alternate \$5 Scratchers Game Profile B:

Staff requests approval of this game as a Match 3 playstyle with specific variants. Players match three like symbols to win prize shown for that game. Players matching two like symbols and a "10X" win ten times the prize and if players find a "10X" and a "2X" they win 20 times their prize. The top prize is \$100,000 and the overall odds of winning are 1 in 3.11.