

TEXAS LOTTERY® RoundUp

News and Ideas for Texas Lottery Retailers

Texas Lottery Sets New Sales Record!

Page 3



TEXAS LOTTERY

**All or Nothing™ –
To Match or Not to Match?**

Page 2

The 50 Top-Selling Texas Lottery Retailers in FY2012

| Name | City | Name | City |
|---------------------------|------------------|--------------------|-------------|
| Rudy's Stop & Shop | Rosenberg | Nicks Mart | San Antonio |
| Town & Country C S | McAllen | Rocy's K W Express | Andrews |
| Adrian's Drive In Grocery | Alice | Fiesta Mart #29 | Dallas |
| Three Star Mart #1 | Balcones Heights | Sonny Food Mart #4 | Dallas |

Top 50 Retailers in FY12

Winner's Spotlight Insert Page 1



State Fair Wrap-Up

Page 11

December 2012/
January 2013

RoundUp

December 2012/
January 2013

Email questions or comments about

RoundUp to:

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Headquarters:

611 E. 6th Street
Austin TX 78701

Mailing Address:

PO Box 16630
Austin TX 78761-6630

Retailer Services Hotline:

1-800-375-6886

(Select Option 2, then Option 3 for
licensing or accounting questions.)

Available 7 a.m. - 5:30 p.m. Central Time
Monday - Friday

GTECH Hotline:

1-800-458-0884

(For equipment problems
or to order tickets.)

Available 4 a.m. - midnight,
7 days a week

Drawing Results:

512-344-5010

(For winning number results only.)

Website:

txlottery.org

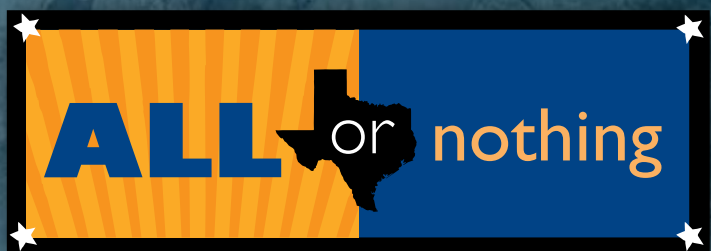
Table of Contents

| | |
|---|------|
| ALL OR NOTHING | 2 |
| TEXAS LOTTERY SETS NEW SALES RECORD | 3 |
| RETAILER SPOTLIGHT | 4-7 |
| 50 TOP-SELLING RETAILERS | WS-1 |
| RETAILER CHECK PRESENTATIONS | 8 |
| FAQS | 9 |
| RETAILER SURVEY | 10 |
| 2012 STATE FAIR | 11 |
| RETAILER BONUSES | 12 |

REMEMBER!

If you find your retailer ID number hidden in this issue of *RoundUp*, you can receive a prize package of Texas Lottery promotional items!

To claim your prize, call 1-800-37-LOTTO.
You must call by December 31, 2012.



TEXAS LOTTERY

TO MATCH OR NOT TO MATCH?

The revolutionary new game *All or Nothing*™ is off to a great start due to retailers like you! This new game offers a \$250,000 top prize for matching all twelve numbers drawn or none of the numbers drawn! [522248] As of November 5, 2012, 10 lucky players have won the top prize and seven of those players won by matching "0" numbers! *All or Nothing* offers the best overall odds of any Texas Lottery draw game, 1 in 4.5.

Remind your players that there are 10 ways to win the *All or Nothing* game and all prizes are guaranteed amounts.

(Continued on Page 10)

Texas Lottery

Sets New Sales Record!

Record-setting year results in more than \$200 million to Texas Lottery retailers

The Texas Lottery Commission reported record results for fiscal year 2012, gaining \$133 million in revenue over last year for the state's Foundation School Fund, an increase of 13.8 percent. Record sales of \$4.19 billion shattered the [596370] previous sales record of \$3.81 billion set in 2011 and resulted in a total contribution of \$1.096 billion to the Foundation School Fund, which supports public education in Texas.

For the approximately 17,000 Texas Lottery retailers, who all receive a 5 percent commission on every lottery sale, total commissions amounted to a record \$209.8 million in 2012.

"With sales up 10 percent over last year, this is the ninth consecutive year that the Texas Lottery generated more than \$1 billion in contributions to the state of Texas," said Gary Grief, executive director of the Texas Lottery. [512997] "This is our largest transfer to the Foundation School Fund since 1998, and our retailers were an important part of this successful year."

The Texas Lottery saw sales increases across its game portfolio. Scratch-off ticket sales totaled more than \$3.09 billion and accounted for 73.6 percent of fiscal year 2012 sales. Sales for the Texas Lottery's draw games, which include *Powerball*®, *Mega Millions*®, *Lotto Texas*®, *Texas Two Step*®, *Pick 3*™, *Daily 4*™ and *Cash Five*®, totaled more than \$1.10 billion and accounted for 26.4 percent of sales.*

Sales of the *Veterans Cash* scratch-off game resulted in \$4.7 million for the Fund for Veterans' Assistance, which is administered by the Texas Veterans Commission. Other Texas Lottery proceeds, including unclaimed prizes, resulted in a transfer of \$46 million to the state's General Revenue Fund.

Texas Lottery players had a great year as well, with a record \$2.68 billion collected in cash and merchandise [157283] prizes, easily surpassing the past record of \$2.39 billion set in fiscal year 2011.

On top of the record-setting sales, prizes, commissions and revenue increases, other Texas Lottery highlights for fiscal year 2012 include:

- The new \$2 *Powerball* game launched in January, featuring bigger prizes, better odds of winning and more chances to win.
- In February, the Texas Lottery surpassed \$14 billion in transfers to the Foundation School Fund.
- A world-record \$656 million *Mega Millions* jackpot in March helped the Texas Lottery achieve several new records, including highest draw sales per minute, highest total sales day, highest total sales week and highest total sales month.
- In March, the Texas Lottery Commission adopted the rule to introduce the new *All or Nothing*™ game in September with four drawings a day.
- In May, the Texas Lottery celebrated its 20th anniversary.
- In August, the Texas Lottery established its social media presence on Facebook, Twitter and YouTube.

"We are extremely pleased with the results of the last fiscal year," said Mary Ann Williamson, chair of the Texas Lottery Commission. [153986] "The Texas Lottery continues to set new standards for success in its mission to generate revenue for the state of Texas, and we're looking forward to building on that success in the future."

*Sales for the Texas Lottery's newest draw game, *All or Nothing*, did not begin until after the close of FY 2012.

Retailer Spotlight

Panaderia Nuevo Leon

Finding Luck in the Piney Woods

Panaderia Nuevo Leon is a combination convenience store, bakery and restaurant on South Beckham Ave. in Tyler. In June 2012, owner Santos Garcia expressed interest in becoming a licensed Texas Lottery retailer, so GTECH Sales, Merchandising and Business Development Representative Tanja Wright immediately made a trip to the store. She met with [205135] Mr. Garcia and his daughters, Cynthia and Myrna, and discussed the various benefits of being a Texas Lottery retailer, such as:

- Retailer commissions
- Bonus potential for selling high-tier winning tickets
- High frequency customer visits.

On June 28, 2012, Panaderia Nuevo Leon became an official Texas Lottery retailer. From the beginning Mr. Garcia has focused on growing his lottery sales. He started with 12 instant ticket dispensers but grew to 40 dispensers in just four months! [103139] He allows GTECH sales staff to place all available POS to increase product awareness. Cynthia and Myrna are adamant about keeping the dispensers full at all times and restocking empty dispensers immediately so not to miss out on a potential sale. Their enthusiasm for the lottery does not stop when you leave the store's property. The Garcias created a Panaderia Nuevo



Leon Facebook page where they post exciting news about winners at their store, [500090] as well as other information about new games and promotions.

All of Mr. Garcia's hard work to establish and expand his Texas Lottery footprint paid off for a player on August 19, 2012. One lucky gentleman purchased a \$2 *Weekly Grand* scratch-off and quickly uncovered the *Weekly Grand* top prize of \$1,000 per week for 20 years! The player was so overwhelmed by the prize that a friend had to drive him home that day. The player was not the only one who benefited from that lucky scratch-off; Panaderia Nuevo Leon received a retailer bonus of \$10,000 for selling the ticket. After that experience, Panaderia Nuevo Leon has continued to expand its lottery business and sales now average over \$3,600 a week, and continue to increase. Mr. Garcia said that he is ready for the next BIG winner from his store and hopes to sell one soon.



L to R: Owner Santos Garcia, GTECH SMBD Rep Tanja Wright, and Mr. Garcia's daughter Cynthia Garcia

Retailer Spotlight

M S Express #4 *Reopens in Style!*

M S Express #4 in Bay City kicked off their grand opening in spectacular style! On May 25, owner A.J. Punjani held a Texas Lottery Customer Appreciation Day promotion to celebrate the reopening of his store after extensively remodeling the interior and exterior. To advertise the promotion, he placed a quarter-page ad in the *Bay City Tribune* and told all his regular customers about it. During the promotion, drawings for door prizes were held every 15 minutes, culminating with two grand-prize drawings of a 32" flat screen television and a BluRay DVD player!

The Texas Lottery provided promotional items for the event and GTECH brought the Texas Lottery trailer and Spin and Win wheel to give away merchandise to players who spent at least \$10 on lottery tickets.

The three-hour promotion was an extraordinary success, generating sales that exceeded [518402] \$1,050 per hour!

Mr. Punjani has owned M S Express #4 since October 2005, and has always recognized the Texas Lottery's positive effect on his overall business. He takes lottery merchandising very seriously, placing his ESMM and 40 dispensers between his two registers at the point of purchase. His Check-a-Ticket and play-station are in close proximity to the counter as well, so all lottery resources are in heavy foot traffic areas.

M S Express #4 has a dedicated base of daily game players that provides a steady [152996] flow of lottery business, even when jackpots are not high. The store also has an instant ticket mix that follows best practices encouraged by their lottery sales representative. Mr. Punjani has scratch-offs of every price point available, but only double-faces games that sell for \$10 or more in order to get higher-priced games in front of his consumers.

During retailer pack settlement contests, Mr. Punjani promotes the games that qualify him for free packs. He also strives to meet his retailer incentive goal by promoting draw games and scratch-off tickets. He participates in Ask for the Sale and second-chance drawing promotions to reward his loyal players and to gain new players.

The Texas Lottery [101544] has always been good for Mr. Punjani's businesses. He owns an additional store in Bay City which also has strong lottery sales. M S Express #4 is remodeled and refreshed, and the Texas Lottery will continue to be a cornerstone of the store's business!



L to R: Manager Jagruti Lad, HDTV winner Andrea Love, Clerk Nishant Patel (in trailer), BluRay winner Betty Williams, Owner A.J. Punjani, GTECH LSR Lee Roy Campos.



Manager Jagruti Lad at the counter.

Summer Retailer Incentive Program TOP WINNERS



In the Summer 2012 Retailer Cash Incentive Program, **Brookshire Brothers #443** located in Dayton, and **Jack's Grocery #18** located in Jacinto City each won the top draw prizes of \$50,000. [173109] An additional \$400,000 in prizes was awarded to 305 retailers in the special follow-up drawing held August 24. Congratulations to all our hard-working retailers!

Retailer Bonuses



L to R: GTECH LSR Deanne Suedmeyer, Texas Lottery Retailer Outreach Specialist Bobby Heith, Jiwan Singh, Raman Kaur.

7-Eleven Conv. Store #24593 of Arlington received a \$40,000 retailer bonus for selling a \$4 million Lotto Texas jackpot ticket in the May 16 drawing.



L to R: Kroger #347 Store Manager Mike Kaake and Texas Lottery Products Manager Robert Tirloni.

Kroger #347 in Houston received a retailer bonus check for \$240,000 for selling a [173059] *Lotto Texas* jackpot ticket worth \$24 million on July 28.

Frequently Asked Questions

Q. How do I get a copy of my 1099 for last year's commissions?

A. The IRS form 1099 is mailed by January 31 of each year to all retailers, except retailers who own and operate their businesses through corporations. [149684] The IRS does not require the 1099 form to be mailed to corporations. All Texas Lottery retailers, including those who operate via corporations, may call Texas Lottery Retailer Services at 1-800-375-6886 for commission and incentive payment information.

Q. How does a retailer pay for scratch-offs?

A. There are four ways that a pack of instant tickets can be settled (charged) to a retailer's account:

1. *Validation* - When approximately **70 percent** of the low-tier winning tickets (\$24.99 or less) have been validated, the pack will settle. A G-Tier (guaranteed prizes in a pack) prize level category exists for all games \$25 and higher that do not have low-tier prizes. These games will settle when 70 percent of the G-Tier prizes have been validated. The charge will be reflected in the weekly invoice available the following Sunday.
2. *Manually* - After a pack is activated, the retailer may choose to settle the pack and it will be charged to the current accounting week, which will be reflected in the weekly invoice available the following Sunday.
3. *Time* - A pack will automatically settle 45 calendar days from the date a pack is activated, [133746] if the pack was not previously settled by another method. The charge to the account will be reflected in the weekly invoice available the following Sunday.
4. *Game Closing* - Retailers will be charged for any tickets, not previously settled, in their possession after the official End of Game date.

Q. How Do I Change My Bank Account?

A. Retailers with access to the Retailer Services Center (RSC) may update their bank account information via the

Internet. For more information on the RSC, visit txlottery.org/retailers. Retailers also may change their bank account information by completing and submitting an Electronic Fund Transfer Authorization Form. A retailer may submit the completed form along with a copy of a voided check from the new account to the Texas Lottery Commission by mail or fax. You may download the form from the Retailer Services section on our website, txlottery.org or request the form be mailed or faxed to you by contacting Texas Lottery Retailer Services at 1-800-375-6886. Please do not close your account until notified of the effective date of change.

Q. What time on Wednesday does the Texas Lottery sweep or draft funds from my account?

A. The actual time on Wednesday when the sweep amount is withdrawn or credited to your account is at your bank's discretion. The sweep amount reflects business from 12:30 a.m. on Sunday through midnight on the Saturday prior to the sweep. We recommend that you contact your bank to get more information about their electronic draft processes and policies.

Q. Where can I get information about my progress in the Retailer Cash Incentive Program?

A. For current [132994] information about your progress in the **Retailer Cash Incentive Program**, you may print a report from the Altura terminal by selecting "REPORTS" then "Retailer Incentive."

Retailers with access to the Retailer Services Center (RSC) may check their progress via the Internet. For more information on the RSC, visit txlottery.org/retailers.

You also may obtain information from your lottery sales representative (LSR) or by calling Texas Lottery Retailer Services at 1-800-375-6886.

Retailer Survey

| | | | |
|-------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| Person Completing Survey: | <input type="checkbox"/> Owner | <input type="checkbox"/> Manager | <input type="checkbox"/> Employee |
| Shift When Survey Completed: | <input type="checkbox"/> Day | <input type="checkbox"/> Evening | <input type="checkbox"/> Overnight |

- Do you and/or your staff talk to customers about the new *All or Nothing* game?
 Yes ____ No ____
 a) If “yes,” what do you spend most of your time telling customers about *All or Nothing*?
 Winners ____ How to Play ____ Ways to win ____ Other ____
 b) If “no,” why don’t you and/or your staff talk to customers about *All or Nothing*?
 Don’t have time to explain how to play ____ Don’t understand how to play ____
 Don’t understand how to win ____ Other: ____
- Which of the four draw times do you think has the most impact on lottery sales in your store? (choose one)
 10:00 a.m. ____ 12:27 p.m. ____ 6:00 p.m. ____ 10:12 p.m. ____

Your Retailer Number _____

Thank you for your time. A retailer will be selected from a random drawing of all completed surveys from this issue of *RoundUp* to receive a Texas Lottery prize package of promotional items!

Please send survey to: David Wilkinson, Research Coordinator
 Texas Lottery Commission • P.O. Box 16630 • Austin, Texas 78761-6630 • FAX: 512-344-5254



TO MATCH OR NOT TO MATCH? *(continued from page 2)*

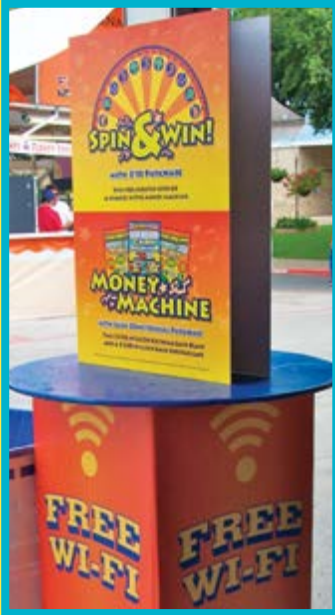
Here’s how many winners we’ve had so far:

| Division | Amount | Since Launch | |
|------------------------|-----------|--------------|---------------|
| | | Winners | Total amounts |
| 12/12 | \$250,000 | 3 | \$750,000 |
| 11/12 | \$500 | 449 | \$224,500 |
| 10/12 | \$50 | 14,036 | \$701,800 |
| 9/12 | \$10 | 163,534 | \$1,635,340 |
| 8/12 | \$2 | 813,632 | \$1,627,264 |
| 4/12 | \$2 | 813,029 | \$1,626,058 |
| 3/12 | \$10 | 163,108 | \$1,631,080 |
| 2/12 | \$50 | 13,993 | \$699,650 |
| 1/12 | \$500 | 451 | \$225,500 |
| 0/12 | \$250,000 | 7 | \$1,750,000 |
| Total Estimated Payout | | 1,982,242 | \$10,871,192 |
| | | | 59.98% |

All or Nothing is the first Texas Lottery game to offer four drawings a day. Since the launch of the game the new “Evening” draw (6 p.m. CT) is the most popular, followed closely by the “Night” draw (10:12 p.m. CT). The “Morning” draw (10 a.m. CT) and “Day” draw [312344] (12:27 p.m. CT) results can be conveniently checked when customers stop by during lunch, which also is a good time to remind them to play the Evening and Night drawings. Don’t forget that *All or Nothing* offers the Multi-Draw option so customers can play their numbers for up to 24 drawings with one purchase!

For more game information and winning results, visit us at txlottery.org.

State Fair of Texas 2012



There was a lot of spinning and winning in the Texas Lottery Luck Zone at the 2012 State Fair of Texas® from Sept. 21 – Oct. 28! Speaking of winning – \$544,000 was paid out to lottery players during the Fair. All of the fun and excitement lead to record sales topping \$900,000, which represented a 14 percent increase over 2011 fair sales.

The Texas Lottery Luck Zone featured many exciting promotions, along with two Spin & Win Wheels and the popular Texas Lottery Money Machine. Fairgoers also had the chance to play the new Texas Lottery draw game, *All or Nothing*™ and participate in the *All or Nothing* promotion. Those who purchased \$6 in *All or Nothing* tickets received a free scratch-off ticket.

The Texas Lottery Luck Zone was a hot spot for fun. For the first time, free Wi-Fi was offered to fairgoers who visited the Luck Zone. As a result, the Texas Lottery Facebook page generated over 2,800 new “likes” during the 24-day run of the fair.

A big thank you to all of the staff, Texas Lottery players, and to our selling retailer, Swif-T, who made the 2012 State Fair of Texas a success for everyone, and most importantly for Texas education!



Retailer Bonuses



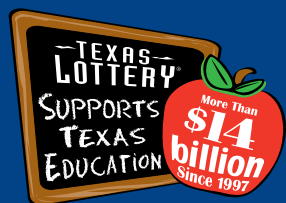
| Game | Retailer | Location | Bonus |
|--|------------------------|-------------|----------|
| Monthly Bonus #1437 | Express Drive In | San Antonio | \$10,000 |
| \$500,000,000 Blockbuster #1114 | Toot 'N Totum #94 | Amarillo | \$10,000 |
| Maximum Millions #1142 | D & N Grocery | Tyler | \$10,000 |
| Weekly Grand #1355 | Panaderia De Leon | Tyler | \$10,000 |
| \$500,000,000 Extreme Cash Blast #1387 | Nothin Butt Smokes #10 | Post | \$10,000 |
| Monthly Bonus #1437 | Highgate Food Mart | Houston | \$10,000 |
| \$500,000,000 Extreme Cash Blast #1387 | Super S Foods | Cotulla | \$10,000 |
| \$500,000,000 Blockbuster #1114 | Black Cat Chevron #1 | Bay City | \$10,000 |
| VIP Club #1448 | Burleson Stop | Burleson | \$10,000 |
| \$200 Million Cash Spectacular #1433 | A & J Quick Stop | Bellmead | \$10,000 |



| Draw Date | Retailer | Location | Bonus |
|-----------|------------------------|-----------|---------|
| 8/13/12 | Bayside Market | Ingleside | \$9,000 |
| 9/3/12 | Sunrise Super Stop #15 | Houston | \$4,375 |
| 9/3/12 | Corner Store #2110 | Austin | \$4,375 |
| 9/10/12 | Big Diamond #1376 | Waco | \$2,250 |
| 10/1/12 | B & D's General Store | Victoria | \$8,000 |



| Draw Date | Retailer | Location | Bonus |
|-----------|-------------|----------|-----------|
| 7/28/12 | Kroger #347 | Houston | \$240,000 |



PLAY RESPONSIBLY.

Visit us online at:
txlottery.org

Maybe It's Your Lucky Day★

Mon

Tue

Wed

Thu

Fri

Sat



Morning/Day/Evening/Night

Morning/Day/Evening/Night

Morning/Day/Evening/Night

Morning/Day/Evening/Night

Morning/Day/Evening/Night

Morning/Day/Evening/Night