

TEXAS LOTTERY® Round Up

News and Ideas for Texas Lottery Retailers

\$500,000,000 Cash On Sale Now!



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Incentive Program***

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May/June 2015

RoundUp

May/June 2015

Email questions or comments about

RoundUp to:

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Texas Lottery Commission

Headquarters:

611 E. 6th Street

Austin TX 78701

Mailing Address:

PO Box 16630

Austin TX 78761-6630

Retailer Services Hotline:

800-375-6886

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

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

Monday - Friday

IGT (GTECH) Hotline:

800-458-0884

(For equipment problems,
to report stolen tickets,
or to order tickets.)

Available 24 hours,

7 days a week

Website:

txlottery.org



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Supporting Texas Veterans

The Texas Lottery continues to support Texas veterans through the sale of designated scratch-off games (see article on pg. 8). [123691]
Our latest scratch-off designed for this purpose is game #1674,
Money! Money! Money!

With Memorial Day [155852]
approaching, now is a great
time to remind your players
to buy this ticket to help
support our veterans!



The Story Behind the Retailer Cash Incentive Program

The ongoing success of the Texas Lottery Retailer Cash Incentive Program depends on budget approval, consistent program management by [155546] Texas Lottery Commission (TLC) and IGT (formerly GTECH) staff, and the enthusiastic participation of our retailers.

Retailer Cash Incentive Program Development

- 81st Legislature granted the TLC authority to access an additional 0.5 percent of gross sales to incentivize growth in retailer sales.
- First program began September 6, 2009.
- The TLC's ability to continue the program depends on approval of the agency's budget during each legislative session.
- Sixteen (16) programs completed as of April 4, 2015.
- More than \$75 million earned by retailers [466354] achieving their sales goals.
- Additional \$8 million awarded to retailers in drawing prizes ranging from \$500 to \$50,000.

Program Oversight and Review

Prior to beginning each Retailer Cash Incentive Program, eligible retailers are assigned a minimum sales goal based on an increase in their same-store sales performance for the same time period the previous year. This means retailers are competing only against themselves to earn incentive payments.

- Goals and results are reviewed by an independent, external auditor. [513829]
- Each program is analyzed to measure retailer participation and revenue to the state.
- Regular analysis occurs to identify program enhancements and revisions.
- The 6-week *Pick 3* Retailer Cash Incentive Promotion applied the cash incentive program format to a specific game-focused initiative.

TEXAS LOTTERY

YOU COULD WIN UP TO \$50,000

RETAILER CASH INCENTIVE PROGRAM
MAY 3 – AUGUST 1, 2015

2 WAYS TO CASH IN! Base Program + Drawing

- Earn up to \$500* for reaching your **Minimum Sales Goal (MSG)**** plus an additional \$75* for each additional \$1,000 in sales*** over your goal.
- **Eligibility Period (EP)**
May 4 – August 2, 2015
For retailers with sales all 13 weeks of the EP, your **Minimum Sales Goal** is your weekly sales*** average during the EP x 13 weeks + 0.5% + \$500.
MSG = ((EP Savg x 13) + 0.5%) + \$500.
- **Alternate Eligibility Period (AEP)**
November 16, 2014 – February 14, 2015
For retailers who do not have sales all 13 weeks of the EP, you must have sales all 13 weeks in the AEP. If you have less than 13 weeks of sales during the AEP, you will not be included in this program. Your **Minimum Sales Goal** is your weekly sales*** average during the AEP (adjusted for seasonality) x 13 weeks + 0.5% + \$500.
- **MSG = ((AEP Savg (adj) x 13) + 0.5%) + \$500.**
- Reach your **Minimum Sales Goal** and earn an entry into the drawing for prizes of \$500 to \$50,000. Earn an additional entry for each additional \$1,000 in sales*** over your goal.
- Only one drawing prize per location.
- A chain with multiple locations may win at more than one location.
- Drawing is tentatively planned for Aug. 18, 2015.

| # of Prizes | Prize Amount | Total |
|-------------|--------------|-----------|
| 2 | \$50,000 | \$100,000 |
| 5 | \$10,000 | \$50,000 |
| 20 | \$5,000 | \$100,000 |
| 30 | \$2,500 | \$75,000 |
| 100 | \$1,000 | \$100,000 |
| 150 | \$500 | \$75,000 |
| 307 | | \$500,000 |

*If total retailer incentive payments exceed the allocated program budget, all payments will be reduced by an equal percentage in order to not exceed total program budget. Drawing entries and drawing prizes will not be reduced.

**Minimum Sales Goal for eligible retailers will never be less than \$1,000.

***Incentive sales do not include Mega Millions®, Megaplier®, Powerball®, or Power Play®.

- The current program, RCIP 17, runs 13 weeks, May 3 – August 1, 2015.
- Program 17 budget limitation is \$5,916,666 plus \$500,000 for drawing prizes.

Retailer Information

Retailers may track their progress during an incentive program by referencing:

- Lottery sales terminal incentive report
- Retailer Services Center reports at txlottery.org
- Lottery sales representative
- Texas Lottery Retailer Services at 800-375-6886
- Current program flyer and previous program's drawing results at txlottery.org.

Retailer Spotlight

Rudy's Stop & Shop

A True Treasure for Texas Lottery Players



Co-owner Mahendi "Mike" Prasla

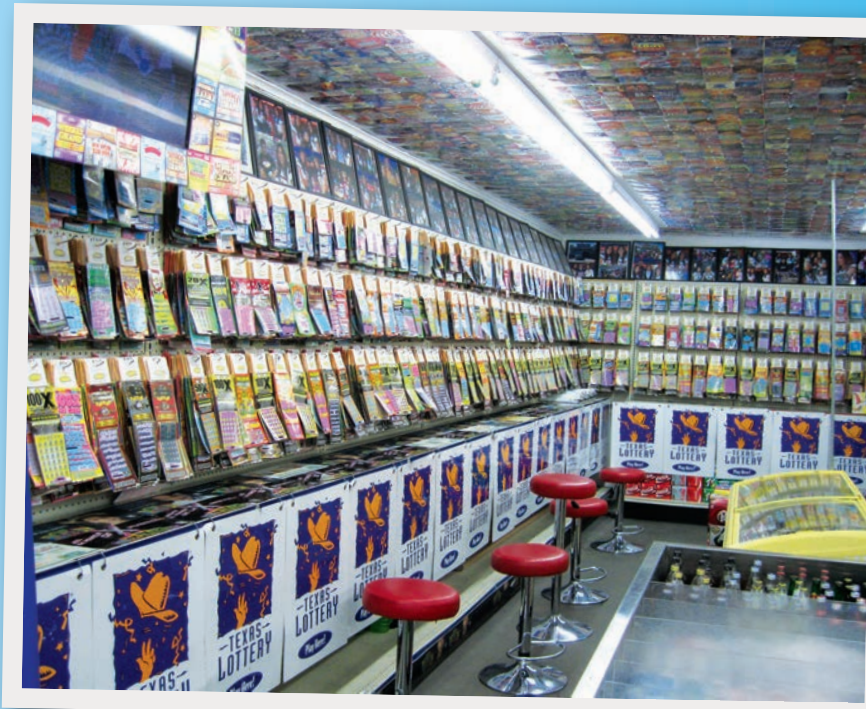
Rudy's Stop & Shop owners Mahendi "Mike" Prasla and brother Samir take an enthusiastic approach to offering Texas Lottery products to their customers. Currently they average \$80,000 a week in lottery product sales, but like all successful Texas retailers, their growth is a result of their initiative and creative energy. Some may believe becoming a top-selling [472220] Texas Lottery retailer is as simple as adding hundreds of slots and offering multiple facings of instant games, but it takes something special.

Inside the store there are neon signs, electronic employee name badges promoting specific lottery games, thousands of past winning lottery tickets on display, and the employees wear Texas Lottery T-shirts. The store's exterior is completely covered with lottery signage and about seven miles down Hwy 90 is a billboard, paid for by the Praslas, inviting players to visit Rudy's.

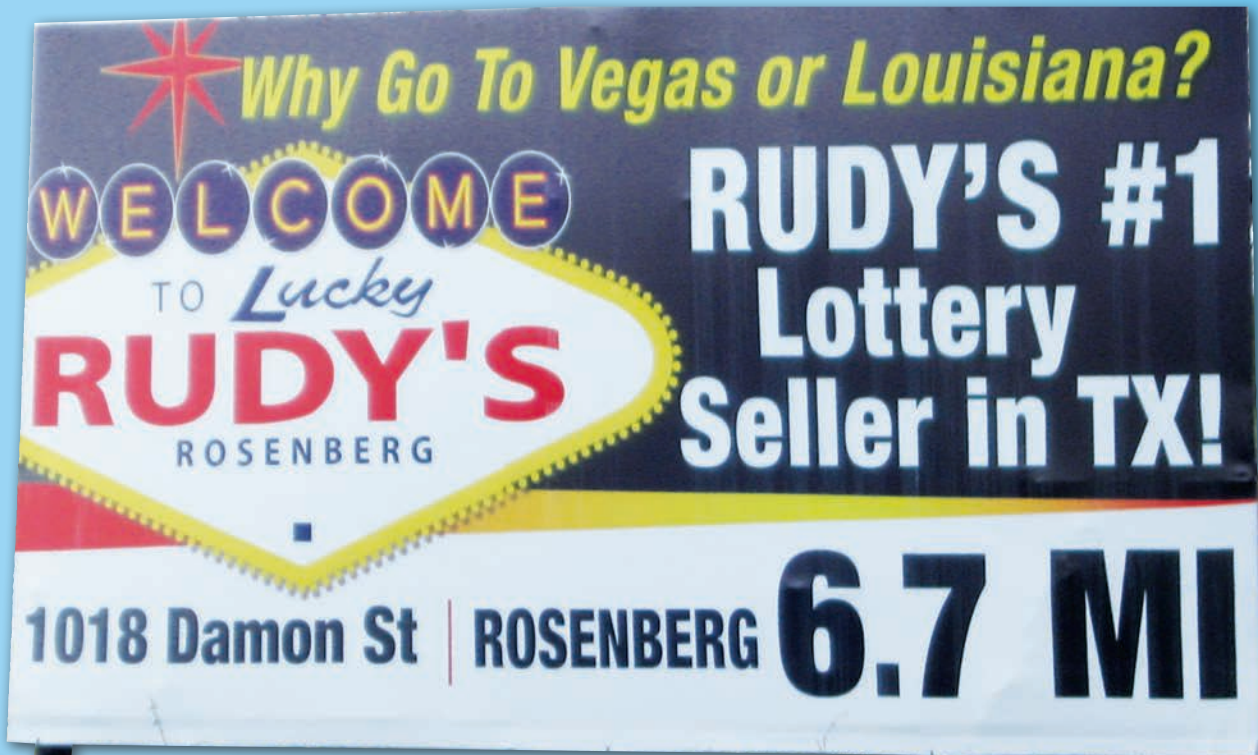


The Praslas are often investing in creative promotions to bring customers into their store. One example is [102815] their month-long Instant Ticket Treasure Hunt.

Each day for a month, the Rudy's team placed 20 business-sized envelopes around the area with a Rudy's business card, a photocopy of an instant ticket from \$2 up to \$50 and instructions on how to claim the prize at Rudy's. All participants were required to be 18 or older. The envelopes were placed in restaurants and stores, under car windshield wipers, or just on the ground from one to 70 miles away from the store. This created real excitement in the area and was a brilliant way to bring new customers to Rudy's. Even those who live far away and found an envelope still come in weekly. [149010] To maintain this excitement and fun, the Praslas continually conduct their own in-store lottery promotions such as Second-Chance drawings with unique prizes, and routinely host Customer Appreciation Days.



Retailers like the owners of Rudy's Stop & Shop who offer optimal customer service and create exciting events to promote the Texas Lottery brand [178125] are true treasures to the state of Texas, helping to support Texas education and veterans!



Retailer Spotlight

Highland Food Store

Highland Food Store on Greenville Avenue in Dallas has been selling Texas Lottery products since 1998, and has steadily increased its sales to an average of more than \$11,000 a week! Owner Umesh Mistry believes his [258113] store's growth is based on building customer trust over the years and transforming the store into an entertainment destination by making customers feel comfortable and offering good "how-to-play" instructions for lottery games. Highland Food Store also sold the very first *Holiday Game Book* \$1 million prizewinning ticket last November, which led to a reputation of being a lucky lottery store in Dallas.

As you enter the store it's evident that Umesh and his team are focused on lottery sales. A "We Sold a Winning

Ticket" coroplast sign is highly visible and a colorful display of [150497] past winning tickets is posted along an interior wall. Highland Food Store positions suites of games together, often double-facing select games, and Umesh offers primary positioning for current lottery advertising. The store rewards its players and helps to maintain the feel of a fun and entertaining venue by frequently participating in lottery promotions such as Spin & Win events and Second Chance Drawings.

Umesh claims that their customer service is "second to none," and the way the store's staff treats [151002] customers guarantees they will be back to play again.



Highland Food Store Owner Umesh Mistry



Umesh sells a ticket to a hopeful customer.

Retailer Check Presentation!



Fairfield Food Mart

in Cypress received a retailer bonus check in the amount of **\$146,747.49** for selling a jackpot prizewinning *Lotto Texas* ticket worth \$14.5 million in the drawing held on December 31, 2014. [174895] Congratulations!

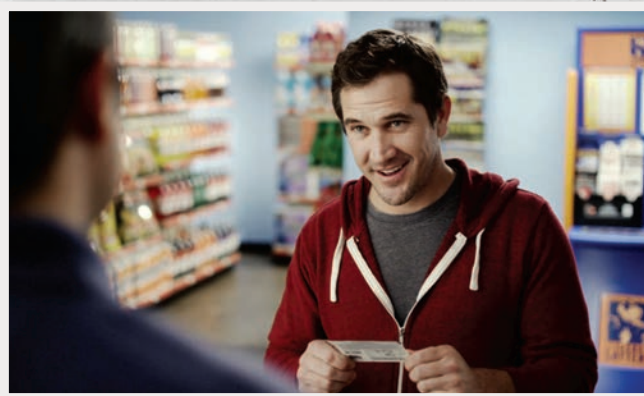
(L to R: Texas Lottery Draw Games Coordinator Julie Terrell, IGT LSR Timothy Spies, Fairfield Food Store Owner Nick Momin)

Ad Campaign Shows How the Texas Lottery Gives Back to Texans

Since its creation in 1992, the Texas Lottery has generated more than \$23 billion in revenue for good causes in Texas. Specifically, the [176325] Texas Lottery contributes more than a billion dollars annually to Texas education and veterans. However, not all Texans are aware of the good causes that benefit from lottery sales.

In March, the Texas Lottery launched a new television ad that illustrates how players help support Texas education and veterans [146106] every time they play. The commercial is an exciting mix of live action and animation created in partnership with LatinWorks, the Texas Lottery's advertising agency, and award-winning animation studio Reel FX. With captivating visuals the spot showcases the good causes that benefit from Texas Lottery sales, ultimately thanking players directly for supporting Texas education and veterans.

The largest portion of proceeds goes toward supporting Texas education through the Foundation School Fund. The Texas Lottery has contributed more than \$17.6 billion to the Foundation School Fund since 1997. In FY 2010, the Texas Lottery began offering veterans ticket games that help generate revenue for the Texas Veterans Commission's Fund for Veterans Assistance. Veterans games have generated more than \$46 million for the fund benefitting Texas Veterans and their families since inception. So no matter what Texas Lottery game players choose, they are helping fund good causes across Texas. When Texans play, Texas wins.



Shorter Draw Break Times for Texas-Based Draw Games

The draw breaks for all Texas-based draw games were reduced from 15 minutes to 13 minutes as of April 13, 2015. The change affects *Lotto Texas*®, *Texas Two Step*®, *All or Nothing*™, *Cash Five*®, *Pick 3*™ and *Daily 4*™. Draw breaks for the multi-jurisdictional games *Powerball*® and *Mega Millions*® have not changed. Retailers should not experience any differences in how they produce draw game tickets or operate the lottery terminal. [179268] This shorter draw break gives players two extra minutes to purchase tickets for their Texas-based draw games and reduces the time retailers are not able to sell tickets for the affected games. This all means more sales for retailers and less time when customers may be inconvenienced by the draw break.

New draw break times are:

| | |
|---|-----------------------------------|
|  | 10:02 p.m. – 10:15 p.m. CT |
|  | |
|  | |

For all daily games with 4 draws/day, the new draw break times are:

| | |
|--|---|
|  Morning/Day/Evening/Night | Morning 9:50 – 10:03 a.m. CT Day 12:17 – 12:30 p.m. CT Evening 5:50 – 6:03 p.m. CT Night 10:02 – 10:15 p.m. CT |
|  Morning/Day/Evening/Night | |
|  Morning/Day/Evening/Night | |

To view the complete game schedule online, please visit our website at txlottery.org/games/drawingschedule or each game page.

May/June 2015 Retailer Survey

| | | | |
|--|--------------------------------|----------------------------------|------------------------------------|
| Position of 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 |

FOR EACH OF THE FOLLOWING STATEMENTS, PLEASE INDICATE WHETHER YOU BELIEVE IT IS "TRUE" OR "FALSE" BY CHECKING NEXT TO YOUR CHOICE.

- During the Morning, Day and Evening draw breaks for *All or Nothing*, *Pick 3* and *Daily 4*, players may purchase tickets for all other draw games.
True ____ False ____
- Monday through Saturday, all four daily games have a draw break from 10:02 p.m. to 10:15 p.m. CT each of those days.
True ____ False ____
- On Wednesday and Saturday nights, when the *Powerball* draw break starts at 9:00 p.m. CT, retailers can still sell *Lotto Texas* tickets until the *Lotto Texas* draw break at 10:02 p.m CT.
True ____ False ____
- Scratch-off ticket sales are not affected by draw breaks; they may be sold during all retailer business hours.
True ____ False ____
- All tickets can be validated during a draw break except tickets for a game that is in draw break.
True ____ False ____

*A **draw break** happens when sales, cancellation and validation functions for a particular game are temporarily suppressed so that transactions can be secured prior to the drawing for that game.*

*Please return the survey by **June 19, 2015**. Thank you.*

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



Frequently Asked Questions

Q. My terminal printed an incomplete ticket, (not valid). What can I do to receive credit?

A. You may mail the ticket with a Retailer Request for Adjustment Form to the Texas Lottery Commission. The Retailer Services Department will review your request for credit. If approved, the credit will appear on [598164] your weekly statement within four to six weeks. To check the status of an adjustment request, please call the Retailer Services Department at 800-375-6886. Retailer Request for Adjustment Forms are available from your IGT Lottery Sales Representative, at any Texas Lottery claim center or can be downloaded from the Texas Lottery website txlottery.org.

Note: A complete ticket that is generated in error or a customer refuses to purchase is considered a valid ticket. [596512] You may sell the ticket to another customer that is willing to purchase it or buy the ticket yourself. You may request an adjustment for a valid ticket, but it must be postmarked before the time of the drawing listed on the ticket.

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

A. The sweep amount reflects business from 12:30 a.m. on Sunday through midnight on the Saturday prior to the sweep. The actual time on [507431] Wednesday when the sweep amount is taken out of your account is at your bank's discretion. It is important to note that holidays/bank closings may affect the date or time of the actual draft.

We recommend that you contact your bank to get more information about their electronic draft processes and policies.

Q. When do I notify the lottery that I am closing my business?

A. The Texas Lottery needs a **minimum of three business days advance notice** to complete retailer cancellations. Advance notification will ensure that a lottery sales representative can complete their work in accordance with your business plans. If you plan to temporarily close your business, it is important that you contact the Texas Lottery immediately. We will assist you with tickets, equipment, and we can explain any financial responsibilities you may have while [507483] your business is closed.

Q. What do I do with an Exchange ticket?

A. If you validate a Multi-Draw ticket that still has draws remaining, an EXCHANGE ticket will be generated by the terminal. Keep the original ticket and hand the player the EXCHANGE ticket. The EXCHANGE ticket will have the same numbers as the original ticket and is good for any remaining draws. This process may be repeated as necessary.

Q. How do I get upcoming game information?

A. Retailers may access all current scratch-off information on our website, txlottery.org. Under the Retailers heading, you will find **Game Lists and More**, which has the Upcoming Scratch-Off Games List and UPC List which includes the start date, pack size and pack price. You can also view the latest Closing Scratch-Off Games List.

Retailer Bonuses



| Game | Retailer | Location | Bonus |
|--|-----------------------|--------------|----------|
| 100X The Cash #1583 | Superette Food Mart | Kingsville | \$10,000 |
| \$500,000,000 Extreme Cash Blast #1387 | Alma One Stop | Ennis (Alma) | \$10,000 |
| 50X The Cash #1663 | Tigermart of Longview | Longview | \$10,000 |
| 50X The Cash #1663 | NU Q-T | La Porte | \$10,000 |
| 100X The Cash #1666 | Salyer's Short Stop | Clute | \$10,000 |



| Draw Date | Retailer | Location | Bonus |
|-----------|---------------------------|-------------|---------|
| 12/15/14 | Pam's Grocery | Houston | \$2,000 |
| 1/12/15 | G an G Mini Mart | Angleton | \$3,000 |
| 2/5/15 | Squeaks Convenience Store | Floresville | \$9,250 |
| 2/16/15 | Stop 4 All Food Store | Houston | \$3,000 |
| 2/23/15 | Mini Mart | Garland | \$2,250 |
| 3/2/15 | Crosby Chevron | Crosby | \$2,250 |

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 800-375-6886.
You must call by June 30, 2015.



| Draw Date | Retailer | Location | Bonus |
|-----------|---------------------|-----------|-------------|
| 2/11/15 | Appletree Food Mart | Princeton | \$1,000,000 |

PLAY
RESPONSIBLY.



SUPPORTING TEXAS EDUCATION
AND VETERANS

Visit us online at:
txlottery.org



TEXAS LOTTERY CLAIM CENTERS

Abilene

209 S. Danville
Suite C-103
79605
325-698-3926

Amarillo

7120 IH-40 West
Suite 110
Park West Office Centre
79106
806-353-0478

Austin

611 E. 6th St.
78701
512-344-5252

Beaumont

6444 Concord Rd.
77708
409-347-0734

Corpus Christi

4639 Corona, Suite 19
78411
361-853-4793

Dallas

1555 W. Mockingbird Ln.
Oakbrook Plaza
Suite 203
75235
214-905-4912

El Paso

401 E. Franklin Ave.
Suite 150
79901
915-834-4920

Fort Worth

4040 Fossil Creek Blvd.
Suite 102
76137
817-232-9478

Houston

1919 N. Loop W.
Suite 100
77008
713-869-6451

Laredo

1202 Del Mar Blvd.
Suite 4
78045
956-727-8750

Lubbock

6202 Iola Ave.
Suite 900A
79424
806-783-0602

McAllen

4501 W. Business 83
Suite A2
78501
956-630-2278

Odessa

4682 E. University
Suite 100
79762
432-550-6340

San Antonio

9514 Console
Suite 111
78229
210-593-0210

Tyler

3800 Paluxy Dr.
Suite 330
75703
903-509-9008

Victoria

2306 Leary Ln.
Suite 400
77901
361-573-4185