



IT'S TIME FOR HOLIDAY TICKETS!

MAKE SURE YOU'RE READY FOR THE SEASON!



EARN COMMISSION
FROM INTERNET
SALES!

FIRST \$50
SCRATCH-OFF!

NEW
KENTUCKY 5
DRAW GAME!



THE PRESIDENT'S CORNER

Merry Christmas and Happy Holidays from all your friends at the Kentucky Lottery!

In looking back over this last year, I know I personally have so much to be thankful for. Our partnership and the effort you give us to fund college scholarship and grant programs for Kentucky college students is near the top of that list.

That work and support is a two-way street, and I hope you're aware of the benefits you receive as a Kentucky Lottery retailer. Besides the increased foot traffic and commissions we bring to your store, you also have in us a partner who listens to what you need to help your business succeed. For example, we heard from a retailer who had a great idea to modify the packs on hand report to help with inventory. That feature will be in place before the holidays have wrapped up. I've also heard from many of you over the course of my presidency that you were ready for a \$50 Scratch-off ticket to be in the market. By the time you read this, the new \$50 ticket 500X will be on sale!

In the pages ahead you'll read all about this historic game launch, along with information about our new Kentucky 5 draw game and ways that you can earn commissions for sales to players who use our iLottery channel.

With a new year always comes new changes, and we are constantly looking to do things to help you do better with your business. I'm looking forward to the new year ahead, and I hope you are as well. Let's celebrate everything we've accomplished in 2022, and look forward to a bright new start in 2023!



Mary Harville
Kentucky Lottery
President and CEO



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NEW GAMES PUT THE HO HO HO IN HOLIDAY

By Mandy Wolf Detwiler, Contributing Writer

New holiday games have arrived - and they're bigger and better than ever. Six new games launch on October 20.



"We're the first Lottery to run Elf™, so we're very anxious to see how that performs for us," says Rhonda Zimmerman, director of Scratch-off games for the Kentucky Lottery.

As the name implies, Ho Ho Whole Lotta \$500s is one of the new \$5 games and is loaded with \$500 top prizes, Zimmerman said. This is similar to last year's game that sold out after only 21 days in market. As a result, this year the Lottery doubled its order of the \$5 holiday tickets. "The \$5 games in general have the most market share of any of our price points," Zimmerman said, "but it's that \$500 top prize that really pushed all the players' buttons."



There will be a variety of marketing materials available for the point-of-sale area, as well as marketing for the rest of the store so it makes a “nice consumer journey from entering the store to the cash-out area,” Zimmerman says.

Aside from POS materials, broadcast and digital campaigns will help bring awareness to the holiday games. This year’s holiday commercial is dubbed “Windows” and has all the holiday games laid out in a brilliant jewelry-type display window with patrons gushing over the new tickets.

Digital and social advertising will ramp up this year, and the Lottery will utilize local social media influencers to bring brand awareness to the new games. Influencers will especially tout the games as gifts. On the Kentucky Lottery’s website, there will be a landing page that will feature all of the holiday games available as well as DIY tips on gifting Scratch-offs.

“There’s a variety of advertising planned to create the buzz and awareness throughout the season” Zimmerman says.

Zimmerman says the holiday games are very well-received in the market by frequent players as well as new and occasional players. In 2021, the Kentucky Lottery chose to release individual games instead of a family of games as they’d done the previous years. That strategy was very successful last year, and it’s a move carried over into 2022 with the six new individual games.

“I think that with the variety of fun, whimsical games we have like the \$1 White Elephant – who doesn’t play White Elephant of some sort during the holidays? – the \$2 game with Elf, and \$3 Frosty Fun, consumers will respond equally as well or better than last year.” Zimmerman says. “In fact, they responded so well to this strategy last year that several of the games sold out prior to the holidays, so this year we increased print quantities to build upon that success.”

Zimmerman says not only do gift-givers play the games themselves, but they also give the Scratch-off tickets as gifts as well. The smaller price-point games are seen as good stocking stuffers, while the higher price points such as \$10, \$20, and \$30 games are viewed as good gift-giving items versus the small stocking stuffers.

To maximize holiday sales, Zimmerman advises retailers keep their dispensers full.

“You can’t sell what you don’t have,” she says.

The \$1, \$5, and \$10 holiday games have a “To/From” label box on them so they can be used not only as a gift but also as a gift tag for other presents. Additionally, retailers are given a small quantity of gift-giving envelopes to supply players who are gifting Scratch-offs.

The website, kylottery.com, also offers Scratch-wraps which can be downloaded and printed. Players fold them to make an envelope to put tickets in for presentation.



FUEL INTERNET LOTTERY SALES THROUGH iGIFT & iFUND AT RETAIL

By Mandy Wolf Detwiler, Contributing Writer

The Kentucky Lottery's iGift and iFund initiatives are a pair of funding mechanisms for the iLottery platform, which also supports sales at the store level.

Lauren Walker, director of interactive content for the Kentucky Lottery, says iGift and iFund are ways players can put money into their online accounts or gift money to another player to play online. Players can fund a minimum of \$10, and, at most, \$50 per transaction.

"They can use cash if that is their preference and be able to apply that money to their online Lottery account," Walker says. "It's been a funding mechanism we've had since iLottery was launched."

An iGift is meant to be given as a gift to a player while iFund is designed to put money directly in one's own account. iGift works like a gift card, where players get a code they then add on to their account. For iFund, the player pulls up their Player Card on their mobile device. The clerk scans it, and the money is applied instantly to the account.

"Every time a retailer sells an iFund or iGift, they receive a 5% commission," Walker says. "It's the same commission as if they were selling any other lottery product." So, if a retailer sells a \$50 iGift or iFund voucher, they're going to make the same commission as they would on the new \$50 ticket launched in October.

Some retailers don't take advantage of iGift and iFund because they don't understand the programs and they believe it takes players out of their store, says Amy Drooker, vice president of sales for the Kentucky Lottery.

"They're not getting that commission now if they don't understand how to do it," Drooker adds, "and that it's really just free money."

"We're going to spend more time explaining the benefits to them," Drooker says. "iLottery is a growing channel, so retailers should benefit from that as much as possible. We're going to teach them how to make money both ways."

In all stores, retailers have a button on the terminal for iFund and iGift. Nearing holiday season, iGift offers just another way to capitalize on gifts in-store.



"It was a foundational funding mechanism because we have always wanted our retailers to have a role in the success of iLottery," Walker says. "We are committed to keeping that going forward."

"Players play where it's convenient for them – online or in store," Drooker says. "And we want to be sure our retailers are taking every opportunity to make money, including through iGifts and iFund, so we need to be sure to cross-train them."

"If we teach them, if we train them on pushing iGift for people who want to give the gift of playing online, then they make more money and we send more people to college through scholarships," Drooker adds.

Being able to sell iFund and iGift keeps the retailers invested even as players play online, and it meets consumer's expectations to be able to play both online and at retail.

"It's not just the 5% commission. If you get your customer in store (buying iFund or iGift), we know that on average lottery players spend 65% more than non-lottery players," Drooker adds. "If they've got them in their store, the chances they're going to spend more money somewhere else, not just lottery, increases."

Research shows 95% of lottery buyers purchase one extra item inside a c-store, and 20% enter the c-store after pumping gas because of Lottery sales.

A new holiday promotion for iGift and iFund will run November 21st through December 16th. Any iGift or iFund deposit into a player's account will be matched by the Kentucky Lottery by 50%. So, if a player deposits \$50 via iFund into their account, the player gets an extra \$25 in funds deposited into their account. The retailer still gets the 5% commission on the \$50 purchase. The Lottery will match up to a \$200 cumulative deposit per player.

FIRST-EVER \$50 GAME

BRINGS HIGHEST SCRATCH-OFF PAYOUT IN LOTTERY HISTORY

By Contributing Writer Mandy Wolf Detwiler

The Kentucky Lottery will debut a whole new price point of Scratch-off tickets this fall/winter season. The \$50 500X game launches October 20 along with the new holiday games, according to Rhonda Zimmerman, director of Scratch-off games for the Kentucky Lottery.

Eleven U.S. lotteries have launched \$50 games, Zimmerman said, and several other lotteries are considering doing it. The Kentucky Lottery has been weighing the pros and cons of a \$50 ticket for about two-and-a-half years. In 2021, The Lottery held virtual focus groups looking at a \$50 ticket, "and we did that to determine the level of interest among our players with a \$50 game," Zimmerman says. "It proved to be very successful and it was very apparent that players were ready for the \$50 game."

"Once we completed our focus group and panel study research and found acceptance was overwhelmingly positive among likely-to-purchase players, we had an internal team of sales, marketing and finance [employees] create multiple \$50 prize structure models until we finally settled on one," Zimmerman says.

Based on that feedback, the game was designed to have four \$1 million top prizes, with more than \$75.1 million in total prizes. Additionally, it is loaded with strong secondary prizes including:

- 128 \$50,000 winners
- 1,088 \$10,000 winners
- More than 65,500 prizes from \$100 to \$1,000



Each \$50 ticket offers 35 chances to win. The game also features four different color scenes per pack.

Research also looked at whether or not the lowest prize should be a break-even prize at \$50, or if it should be bumped up to a higher dollar amount. The Lottery ultimately chose \$75 as the winning entry point to make a “big splash” with its inaugural \$50 Scratch-off, Zimmerman adds.

“That’s a very strong selling point,” she adds. “Another strong selling point is it’s a flat \$1 million top prize with no annuity option.” This is a departure from our standard one million dollar plus top prizes, which allow players the option of taking a 20-25-year annuity or going with a cash option equivalent.

The new ticket has the highest percentage payout in the Kentucky Lottery’s Scratch-off history. “For the \$50, it will be a 79.9 percent payout,” Zimmerman says. “That’s nearly 80% of all of the revenue generated with this game going back to the players in prizes.”

Lottery officials knew they wanted to roll out the \$50 ticket with the holiday games as a soft launch. Some in-store marketing is planned, as is some marketing on the digital and social channels.

“It’s somewhat of a quiet launch,” Zimmerman adds. “This is the way several other lotteries rolled out their games and had great success. We’re trying to use all of the best practices that lotteries who have gone before us used.”

As for how this will affect sales at other price points, Zimmerman says, “I think at first, we’ll have some players trading up to that \$50 [level] and some of them will continue to play at that \$20 and \$30 levels as well.”

Lottery officials say they feel good about the \$50 Scratch-off being a big hit with players as well as retailers, so more \$50 games will be planned for later release.

The Kentucky Lottery has more than 3,200 retailers, and of those, only about 200 said they don’t have the sales to support a \$50 ticket. They won’t carry the ticket initially, but what Zimmerman heard from other lotteries is those retailers who weren’t initially on board eventually did decide to sell that \$50 game because players were coming into their locations and seeking it out, resulting in lost sales.



MORE

NEW SCRATCH-OFFS ON THE WAY!

By Rhonda Zimmerman, Director, Scratch Games



As we close out calendar year 2022, we'll once again introduce a "Casino" themed launch on December 1, featuring three new games. These are designed to engage your core players.

VEGAS is the first \$5 multi-game ticket we've offered in recent years, which features three different play styles on one ticket including a simple key symbol find, "beat the dealer" and a dice add-up play style. It offers up to 14 chances to win on every ticket with a top prize of \$100,000, including a \$50 winner in every pack!

Moving up the price scale to \$10, we have **HIT THE JACKPOT**, featuring a \$175,000 top prize and over 63,300 prizes between \$50 and \$500. And for the high risk/high reward players, **CASINO MILLIONS** will be their go-to game featuring a \$500,000 top prize and is loaded with mid-tier winners including a \$50 and \$100 winner in every pack!



We'll also launch a new seasonal game designed to appeal to casual and/or potential new players. **LOVE** is a new \$5 Valentine's Day game featuring a top prize of \$44,000, with over \$4.5 Million in total cash prizes, including a \$40 winner in every pack, in addition to the guaranteed low-tier prizes. This is a limited-run game with only 1.3 million tickets and will only be available while supplies last.



NEW “WILD NUMBERS” FAMILY STARTING JANUARY 5TH!

As we enter a brand-new year, it is also time for a brand-new family! Get ready for the fun and excitement this family is sure to bring players of all price points, including the addition of a \$3 ticket as part of the family for the first time ever! This blockbuster portfolio offers a variety of multipliers and features with top prizes of \$500 up to \$500,000. With games at the \$1, \$2, \$3, \$5, \$10 and \$20 price points, players will have the opportunity to win over \$65.3 Million in total cash prizes!



READY TO LAUNCH

By Edie Frakes, Vice President, Marketing

On Sunday, November 20th, a new rolling jackpot game will join the portfolio of terminal generated games. Kentucky 5 is a new in-state rolling jackpot game that will be drawn nightly. The game features a rolling jackpot that starts at \$40,000 and grows each day until the jackpot is hit. Kentucky 5 offers players better odds of winning the jackpot than the multi-state jackpot games and is only available in Kentucky!

Players simply choose 5 numbers out of a field of 39 numbers, and if they match 3 or more numbers to the numbers drawn, they win. Match all 5 numbers and win the jackpot! Kentucky 5 costs \$1.00 per play and features an optional add-on feature called "Xtra" that gives players a chance to multiply their winnings or win by matching just 2 numbers.

This concept was tested with players and retailer focus groups by our research department. We are excited to support it with media starting November 21 and then again after the holidays as well.

LARGEST FAST PLAY JACKPOT EVER

The jackpot reached its highest level since the launch of the Fast Play category in October 2019, reaching \$1.4 million in August 2022. Fueled by play at the \$10 and \$20 price points, players also like to try this still relatively new game at the \$1, \$2 and \$5 price points. November 21 will see the launch of a new family of games and in December the \$3 Winter Wild Time will be for sale.



CASH BALL EZMATCH PROMOTIONS

Since the launch of the EZmatch add-on feature for Cash Ball, we have run quarterly promotions where we increase EZmatch prizes for a 2-week period. During this promotion, the top two prize tiers are doubled and the lowest prize amount is increased from \$2 to \$5. Look for week-long promotions during the third week in October, November, December and January.



MARKETING UPDATE

By Edie Frakes, Vice President, Marketing

Beginning this October, you'll have some old familiar acquaintances to celebrate. It's our annual HOLIDAY launch! We will launch all kinds of new and exciting holiday games, but with a repurpose in TV of an old favorite. Our store window commercial will be back, just in time for the holidays to celebrate the nostalgia of the pending holiday season! Additionally, you will see POS placement for our first ever \$50 Scratch-off game. Loaded with prizes, and a great payout. The perfect gift, even for yourself!

For draw games this fall, you will be helping to support the launch of Kentucky 5. Our most researched and vetted draw game launch in years will bring back a traditional lotto style game and play style. The launch will be supported with TV and POS in stores.

Plus, look for new Fast Play games just in time for Thanksgiving and Christmas!



CRACKING THE CODE:



By Susan Simmons, Marketing Manager and Coupon Coach

Currently, the Kentucky Lottery has two types of coupons – digital and printed.

DIGITAL COUPONS are distributed through email and are received by players through the email address associated with their Kentucky Lottery Fun Club account.

PRINTED COUPONS are distributed primarily through Lottery Sales Representatives and Marketing for promotions and promotional/retail events.

All coupons will have a unique validation number and 16-digit barcode that allows them to be validated on your lottery terminal or lottery vending machine. Here are a few reminders when redeeming coupons:

- Read the coupon to determine the offer.
- Make sure specified tickets are purchased before scanning coupon.
- Always scan coupon first before giving prize to the customer.
- All coupons must be scanned at the lottery terminal or lottery vending machine to receive credit.

When scanning or manually validating a coupon, an authorization slip will generate. It's best practice to staple the authorization slip to the coupon to keep for daily balancing. To find your credit for coupons, you must first determine if the coupons redeemed were for Scratch-off or draw game products.

- If the coupon is for a Scratch-off product, the credit will be reflected in the "DAILY INSTANT TICKET REDEEM REPORT" under the "COUPON" line item.
- If the coupon is for a draw game product, the credit will be on the "ONLINE DAILY SALES REPORT" under the "COUPON" line item.

By balancing these reports daily, you will be able to keep track of the coupons you have scanned, and the credit received.

Redeeming coupons (printed or digital) on the lottery terminal is easy as 1 – 2 – 3:



1. Press the “**Promotions**” button on the main lottery terminal screen.



2. Press the “**Printed/
Mobile Coupon**” button on the Promotions screen.



3. Once the “**Printed
Coupon (16 Digits) Entry**” screen is on the terminal you may scan OR manually enter the coupon.

NOTE - if the barcode will not scan, you may manually type the 16-digit coupon code for redemption.

Here are some helpful hints to help players redeem coupons at the lottery vending machines (and remember - Scratch-off coupons CANNOT be redeemed on Game Touch Draw lottery vending machines):

- Scan coupon barcode at the vending machine.
- See the credit applied on the display screen.
- Redeem by selecting the game and price point printed on the coupon.
- Scratch-off selection(s) should dispense in the bin located near the bottom of the machine and Draw Game ticket will be printed.

It's important to note that once a coupon has been scanned or manually entered at a lottery terminal or lottery vending machine, the system considers it redeemed. Coupons cannot be scanned or manually entered more than once.



FUELING IMAGINATION, FUNDING EDUCATION

HOW YOUR WORK SENDS PEOPLE TO COLLEGE

By Sara Westerman, Senior Communications Specialist

Personal experience led one Louisville college student to set goals to become a doctor with a focus on women's health issues. Jordan Johns says her own experiences with endometriosis is what prompted her to research the medical condition for further treatment options and a cure. "I'd like to become an OB/GYN," she said.

Johns is currently a sophomore at Simmons College with a general studies major. She plans to transfer to the University of Louisville after this school year to continue her education path in medicine. Johns has four siblings, and while she isn't the first to go to college in her family, she is the first in going beyond an associates degree. "I just want to make my mom proud by getting my bachelor's degree. I'm the third in my child in my family to go to college, but the first to get a four-year degree. KEES took some of the financial stress off our family so I can further my education," Johns said. She also took advantage of the Dual Credit Scholarship while in high school by taking classes which also counted as college courses.

GIFT RESPONSIBLY

LOTTERY TICKETS ARE NOT GIFTS FOR CHILDREN

The Kentucky Lottery, one of the first U.S. lotteries to ever participate in the Gift Responsibly campaign more than a decade ago, is once again joining with more than 80 other lotteries and community organizations from across the US, Canada and around the world in the effort.

The campaign is organized by the National Council on Problem Gambling (NCPG) and the International Center for Youth Gambling Problems and High-Risk Behaviors at McGill University. It is endorsed by the World Lottery Association (WLA) and the North American Association of State and Provincial Lotteries (NASPL).

The message is a simple one - lottery tickets are appropriate gifts only for adults. Kentucky's campaign involves encouraging age-appropriate play through social media, ESMM messaging and media opportunities. The campaign will run throughout December.

"We are very appreciative of Kentucky Lottery's efforts to educate adults and retailers about the potential consequences associated with underage lottery play," said NCPG Executive Director Keith Whyte. "The evidence clearly shows that exposure to gambling as a youth increases the probability of gambling problems later in life. Regardless of what time of year it is, adults should find gift options for children other than lottery tickets."



HOLIDAY GAME

What do you think of when you hear the phrase, "Holiday Family"? Perhaps the frantic McAllister family from "Home Alone" or the hilarious Griswold family from "Christmas Vacation"? Well, we're not talking about that type of family today—we're talking about holiday families of Scratch-off tickets! And specifically, what factors go into deciding whether the lottery should offer a "holiday family" of Scratch-offs or individual holiday ticket offerings?

Families of Games (FOGs) are typically defined as three or more games launched at the same time with similar themes and designs but across multiple price points. FOGs have been around for decades, but the nuances of how to optimize these offerings and best capitalize on bundling opportunities is still relatively new. Bundling games with similar attributes creates a purchase dynamic wherein players attracted to one or more of the price points often purchase them across all price points.

A 2021 Scientific Games National Panel Study (1) indicated that 72% of respondents who say they purchase 'family' tickets at the \$1 price point also state they are buying 'family' tickets at the \$2 price point. And 75% of those buying 'family' tickets at the \$3 price point also purchase 'family' tickets at the \$5 price point. But things stagnate there – only 43% of \$5 family of game buyers are purchasing games at the \$10 price point.

So how did our non-family holiday game offerings in 2021 perform against our prior year holiday FOG?

The chart below shows a comparison of Kentucky Lottery holiday scratch-off ticket sales by price point in 2020 vs. 2021:



FAMILIES OR INDEPENDENT SCRATCH-OFF TICKETS?

By Greg Wood, Director of Market Research Strategies

In the chart below, you can see that the \$1 and \$2 price points from the non-family tickets in 2021 performed just as well or better than the family branded tickets in 2020. The 2021 \$5 Frosty Cash ticket underperformed against the \$5 2020 Holiday Lights ticket, however the 2021 \$10 Tree-Mendous ticket had nearly a 10% sales increase over the \$10 holiday ticket from 2020.

So what are we to make of this? Does this mean that holiday ticket families do or don't perform as well as individual tickets? The answer may not be so simple.

When the Kentucky Lottery launched the "Holiday Gifts" FOG in FY18, total sales for the \$1, \$2, & \$5 price points experienced a 48% increase vs. the prior year individual holiday games. And nationally, families as a category reached \$8.9 billion in sales in FY21, which was an increase of 21% over 2020, and slightly higher than the 20% increase experienced by non-family games. The revenue from FOGs now accounts for an impressive 14% of the total instant game market nationally (2).

Ultimately, players are looking for fun and exciting holiday games which give them the best chances to win. Whether it's in the form of a holiday FOG or not, you can be sure that the lottery will continue research on consumer expectations, perceptions, & purchase behaviors each and every holiday season. What's your favorite holiday scratch-off game? Talk to your sales representative and let us know which games your customers like the best!



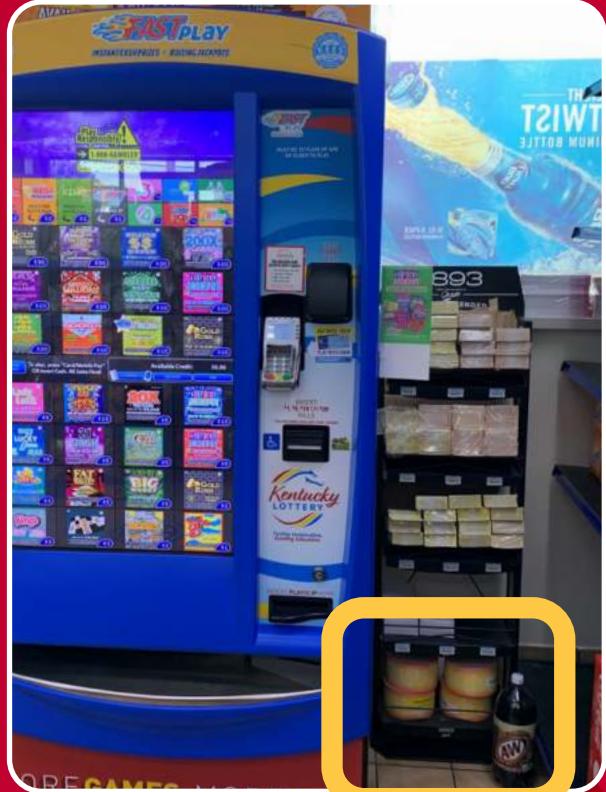
GUARD PAPER STOCK CLOSELY

By Greg Baird, Vice President of Security

The Kentucky Lottery Security Division reminds our retail partners to always secure your surplus paper stock in a secure location, preferably under lock and key, and certainly out of reach of the public. Paper stock is assigned to each, individual retailer by serial number and cannot be shared from store to store. This means paper stock cannot be "loaned" to another store, even if the two stores are owned by the same licensee. Also, only paper stock which is issued to the retailer from IGT or the Kentucky Lottery may be used for Kentucky Lottery draw games. To clarify, paper stock from a bordering state may NOT be used by Kentucky Lottery retailers under any circumstances. If you have questions or need assistance with lottery security concerns, please contact the Kentucky Lottery Security Division at (502) 560-1804.



Always secure surplus paper stock in a secure location, preferably under lock and key.



Keep paper stock out of reach from the public.

SCRATCH FOR THE CURE



For 14 years now, northern Kentucky Lottery retailer Deters & Daughters Liquor has hosted an annual fundraiser they call Scratch Out Cancer. It's held to raise money for cancer research in memory of Rose Merritt's husband, Mike. "My husband died in 2001 of esophageal cancer. We started this event in memory of Mike and we continue it because of all the others affected by cancer," said Rose. Rose is one of the daughters of Deters & Daughters and is also part owner of the store.

The Kentucky Lottery was on-site for the fundraiser, and all of Deters proceeds from lottery sales that day go to the charity. The Fort Wright store also has various raffles, as well as free food and drinks. The bourbon raffle is the biggest money maker for the event, Rose said.

In just four hours, they reached their highest amount ever raised - \$11,431! The money was donated to the University of Cincinnati Cancer Research, specifically for esophageal cancer research.

Rose is proud of the funds they've raised from the event. "Over the years, we have raised more than \$70,000 for cancer research and charities," said Rose.



WINNERS WINNERS EVERYWHERE!

By Jennifer Cunningham, Senior Communications Specialist



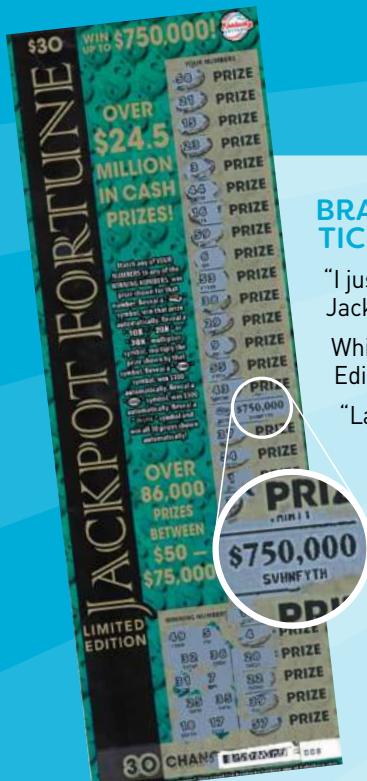
HAZARD COUPLE WINS BIG WITH KENTUCKY LOTTERY SCRATCH-OFF

Kayla Smith and her husband Ronnie of Hazard, KY were running errands when they stopped for gas and bought Kentucky Lottery Scratch-off tickets. That stop paid off big after Kayla scratched off a ticket, winning \$100,000.

The couple bought two of the \$5 Win Win Win tickets, one for each of them, at One Mart on Combs Road in Hazard. While scratching off their tickets in the car, Kayla said to her husband, "You might want to take this (ticket) into the store to make sure it's right." Ronnie went back into the store, and had it checked to find out it was indeed a \$100,000 winner.

Kayla's ticket had the "money bag" symbol on the first row indicating she had won the \$100,000 prize automatically.

"We were in disbelief. Full of excitement and shocked. So many emotions," Kayla said.



BRANDENBURG WOMAN "HAD A FEELING" BEFORE BUYING SCRATCH-OFF TICKET WINNING \$750,000

"I just had a feeling," Lisa Miller of Brandenburg, KY told Kentucky Lottery officials while cashing in a Jackpot Fortune Limited Edition Scratch-off ticket worth \$750,000.

While at the Kroger on Bypass Road in Brandenburg, Miller decided to buy the \$30 Jackpot Fortune Limited Edition Scratch-off ticket from the vending machine.

"Last week, I had a dream that I'd won \$3000 on this same ticket. I was excited about winning \$3000, never imagining I would win \$750,000," Miller said.

Miller said she didn't play the ticket but scratched off the barcode and scanned it instead to see if it was a winner. "I saw 'see KLC Corp' pop up on the screen and thought, 'it's a big one,'" she said. "I've never seen that message before."

Miller was shopping with her boyfriend but didn't say anything to anyone and immediately walked out of the store. She started to scratch the ticket off when she uncovered the "gold bar" symbol indicating the prize is won automatically. Located to the right of the symbol was the game's \$750,000 top prize.

"This is a big one. I've got to sit down." She got in the truck and waited for her boyfriend to get in before telling him the news.

"I didn't sleep at all last night. I laid in bed thinking about what all I could do with this money. I want to be sure to get it right," Miller said.



SOMERSET WOMAN WINS \$210,000 SCRATCH-OFF PRIZE AT FAVORITE LOTTERY

Rachael Dabney of Somerset, KY won \$210,000 after buying a Kentucky Lottery Scratch-off ticket at her favorite Lottery retailer.

Rachel was passing through Stanford, KY when she stopped at Stanford Food Mart & Donut Shop where she purchased a \$10 Power 10's Scratch-off ticket. She said she likes to stop at this store when she can because the staff is so nice to her.

"I started scratching off the ticket, and I saw I matched the ten symbol. I went to scratch the prize and saw a two, a one, and a zero. I thought it was two hundred and ten dollars - but then I saw the comma!" Rachael told lottery officials. She realized she had just uncovered the game's \$210,000 top prize.

"I had to look at it five times," she said.

Rachael called her husband David, but he didn't believe her at first. "I was like, yeah right," he said. She then called him using Facetime to show him the winning ticket. "I believed her then," David told officials.



NORTHERN KY FAMILY SPLITS \$500,000 KENTUCKY LOTTERY SCRATCH-OFF PRIZE

William Hicks and his sons William Hicks Jr. and Stephen Hicks of California, KY claimed a \$500,000 Kentucky Lottery Scratch-off ticket – and for this Northern Kentucky family, winning the lottery is now a family affair.

William owns a garage door repair company where both of his sons work. William Jr. and his brother Stephen ride to work together, sometimes stopping for lottery tickets. On a Friday morning, they stopped at the Speedway on Alexandria Pike in Alexandria to each buy a \$2,000 Loaded Scratch-off ticket.

"I'll usually scratch one and he'll [Stephen] scratch one," William Jr. said. "Stephen suddenly tells me we'd won five hundred thousand dollars, but I figured he was looking at it wrong. We must have looked at it 40 times and I asked to be pinched a few times," he said. The ticket matched the number 7, winning the game's \$500,000 top prize.

Next, they called their dad to tell him the news. "Dad, you're not going to believe this. We've just won a half a million dollars," William Jr. said.

"I was like, no way. He spent the next few minutes trying to convince me," William said.

"William immediately started telling me who he was going to help out. That's just the way he is," his dad said.



\$1,000,000 MEGA MILLIONS TICKET SOLD IN RICHMOND CLAIMED

An Estill County woman (who wished to remain anonymous) won \$1,000,000 Mega Millions ticket from the July 29th drawing.

"My hands are shaking," she told Kentucky Lottery officials when handing over the ticket to claims staff.

"I had given my mom money to pick up a ticket for me while she was at the store," she said. The next morning, her mom pulled up the winning numbers on her phone and began checking their tickets when she came across the one that belonged to her daughter. "I saw the numbers match but wasn't sure how much she had won," her mother said.

Her mom called her daughter and asked, "What do you win if you have five numbers?" She looked up the information on the Kentucky Lottery's website when she realized she was a millionaire.

"I about died when I saw those numbers and started screaming" the winner said.

"This is life changing," the winner said.



JEFFERSON SPOTLIGHT

By Minna Sung, Louisville Regional Sales Manager

We're almost halfway through the year! We've launched our first dual channel game (VIP Platinum) available as a scratch game and terminal game. And we're launching our first-ever \$50 ticket, 500X, along with a fun line of Holiday Scratch-off tickets.

Make sure your store keeps counter dispensers and vending machines full. This is very important throughout the entire year, allowing your store to meet your customer's demand for Scratch-offs and draw tickets. Empty bins equal missed sales. We will work with you to provide strategies on how to always keep your bins full.

The Jefferson Region would like to wish all Jefferson Lottery Partners the happiest of holidays! Thank you for all that you do, as all your efforts provide scholarship dollars for the Commonwealth.

Top 3 retailers in the Jefferson Region, Scratch sales percentage increase Q3 FY22 VS. Q3 FY21:

#1 LIQUOR KINGS SUPER CENTER 2183%

#2 THORNTONS #162 94%

#3 SHAAN FOOD MART 89%



Robbie, owner of Stop N Shop Convenience Store (BP) in New Castle, has been selling Kentucky Lottery tickets since the lottery's start in 1989. She knows her customers by name, makes them feel appreciated and has many regulars because of it.



Kim helps her son-in-law with his store B & N Food Market in Bagdad. She's a jack of all trades doing the accounting and other odds & ends around the store. Kim does a great job with managing lottery inventory, keeping all the dispensers full and on plan-o-gram.



Nick at Friendly Food Mart & Tobacco in Shepherdsville is committed to keeping the dispensers and Gemini full. His 13-week average on out-of-stocks is trending down at 3.89%.



Bill from Dongar Food Mart & Deli in Louisville is always willing and eager to display his lottery tickets. He never has issues with out-of-stocks and loves a lot of POS to be displayed.



Jay from Third Street Gas Station in Louisville has seen his sales continue to increase, including the \$30 Scratch-off sales increasing by 39%.



Zack and Crystal at Pilot Travel Center in Lebanon Junction are very proud because they won the out-of-stock contest for their territory. The out-of-stock average for their store is trending downward at 4%.



Jeri, store manager at Crossroads IGA in Louisville keeps the dispensers full and has several customers eagerly awaiting the new \$50 ticket launch!



Jess, Damara and Shante are having a great day at Circle K #3240 in Louisville. Damara has a great team of associates that assist her with lottery.

BLUEGRASS SPOTLIGHT

By Rusty Reid, Bluegrass Regional Sales Manager

Season's Greetings Bluegrass retailers! The holidays are right around the corner and we are here to support your business with our new holiday-themed games. We have an exciting line up (including an ELF themed game) and top prizes that range from \$1000 to \$150,000. In addition, we are excited to introduce our first ever \$50 game, 500X! This game will have a top prize of \$1 million, over 100 \$50,000 prizes and over 1000 \$10,000 prizes! These games make great stocking stuffers and we will offer holiday envelopes to make the tickets easier to give. These games are set to launch October 20th!

As we approach the holiday season we know your time will become more valuable as you try to capitalize on the increased traffic in your locations. The Kentucky Lottery offers tools to help you manage your time during this busy time of year. If you are concerned about staying in stock of the bestselling games, talk to your Lottery sales rep about auto order. Do you have a vending machine that requires you to fill out of stocks multiple times daily? Talk with your Lottery Sales Rep about taping multiple books together in the vending machine so out of stocks occur less frequently. This will free up more of your time to concentrate on other areas of your location or servicing your customers.

We are proud to partner with each of you as we strive to maximize dollars for education here in Kentucky. Thank you for helping us fulfill our motto of "Fueling Imagination, Funding Education." We hope each of you have a joyous holiday season and a Happy New Year!

Top 3 retailers in the Bluegrass Region, Scratch sales percentage increase Q3 FY22 VS. Q3 FY21:

#1 DISCOUNT TOBACCO ZONE
168%

#2 DOUGHDADDY'S DOUGHNUTS
106%

#3 MINIT MART 677
98%



Store Manager Crystal and assistant Kelly at Redi Mart #8 in Berea love rocking the Kentucky Lottery swag they receive for always activating new games by 6 a.m. on launch day. They have smiles on their faces, follow best practices, promote new games, and remind customers of current jackpots.



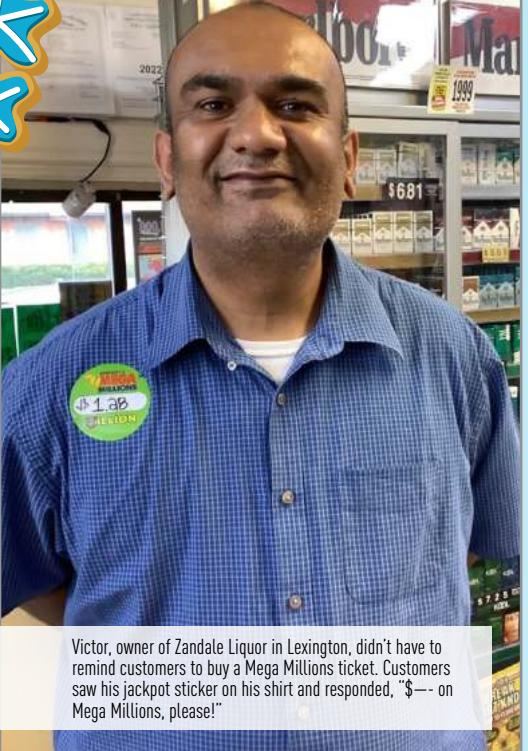
Store Manager Tiffany and her assistant Casey take great pride in keeping their Gemini filled at Minit Mart #661 in Berea. By following the best practices, they've kept their out of stocks under 2%. Draw games sales are up 33% since they've been reminding customers of the rising jackpots.



Lindsay, Kamryn, and Hilary from Kroger L-368 in Frankfort won the May out-of-stock contest in their territory. They won a free \$1 pack of tickets and KLC goodie bags! Mary and Wayne (not pictured) were also a huge help during this contest by keeping the vending machine filled at all times.



Sonny and Amy at Butler Market in Butler repping their new FastPlay shirts.



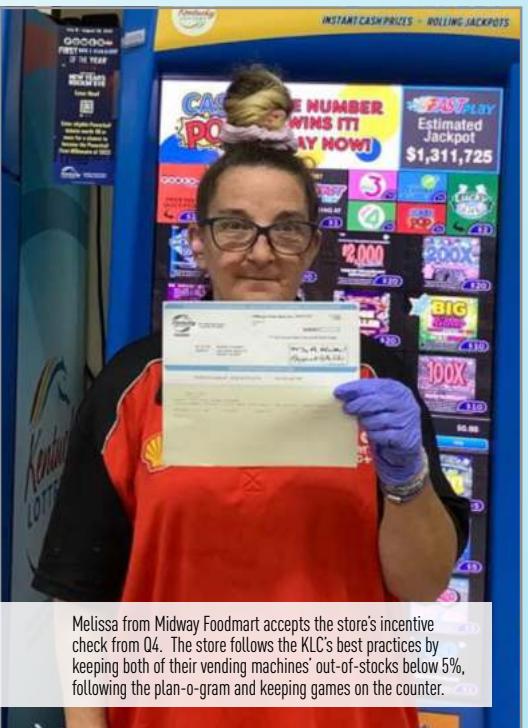
Victor, owner of Zandale Liquor in Lexington, didn't have to remind customers to buy a Mega Millions ticket. Customers saw his jackpot sticker on his shirt and responded, "\$— on Mega Millions, please!"



Hollywood Tobacco & Liquor in Florence recently sold a big winning Fast Play jackpot ticket. Snoodles and Suzanne are always looking for new ways to increase sales and make players happy.



Bob's Food Market in Covington recently sold a big winning ticket worth \$200,000. Mhretab Tela sold the \$10 Big Riches Scratch-off ticket to a regular customer who plays at the store frequently.



Melissa from Midway Foodmart accepts the store's incentive check from Q4. The store follows the KLC's best practices by keeping both of their vending machines' out-of-stocks below 5%, following the plan-o-gram and keeping games on the counter.



Gary, manager of Southland Marathon in Lexington, was very happy when he received his retailer incentive check for 4th quarter.



Jimmy Rayyan, manager of Foodland Market in Lexington, won a goody bag for being one of the first to activate the new games on launch day!



Suraj Bikram KC at the New Circle BP in Lexington is always looking to increase his lottery presence. He always stays on plan-o-gram, follows lottery best practices and tells his customers about the current promotions.



Ravi and Bonnie at BP 109 in Georgetown continue to keep lottery a focus at their store.



Vraj Patel and Paresh Patel at Dixie Market in Florence are always on top of their out-of-stock percentage and make it a priority to keep the percentage lower than 5%. They have averaged no more than 1.5% of out-of-stocks all year.

CENTRAL SPOTLIGHT

By Garrett Trabue, Central Regional Sales Manager

Greetings to all our lottery partners in the Central Region! We are off to another great start of our fiscal year and have many new and exciting games on deck.

Coming in November, we will be launching a new game exclusive to our state called Kentucky 5. This game will feature a rolling jackpot and will be drawn nightly. In December, we will be releasing a new \$20 ticket called Casino Millions LE which is sure to be another great hit with your players. Don't forget to have all new games activated on the first day to maximize your sales.

Thank you again for your partnership in helping to support education with scholarships and grants that benefit students in Kentucky!

TOP 3 RETAILERS IN THE CENTRAL REGION, SCRATCH SALES PERCENTAGE INCREASE Q3 FY22 VS. Q3 FY21:

#1 KROGER L-770
133%

#2 WALMART #701
127%

#3 WALMART #257
126%



Aj Patel at M & S Foodmart #2019 in Elizabethtown keeps his machines full and on plan-o-gram and his sales are up 8%.



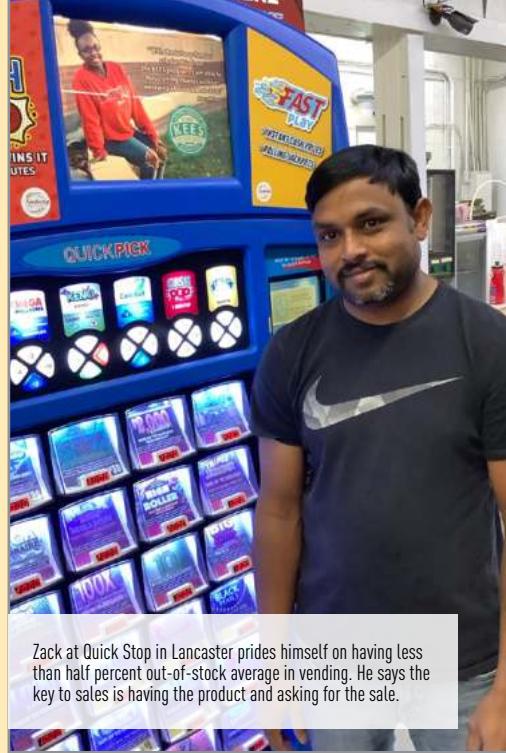
Peter Patel at Cumberland Shell in Somerset always follows plan-o-gram. He also keeps every bin full and his Gemini out-of-stocks are at 2.3%.



Brian from Muldraugh Express holds his quarterly incentive check. The store is up 37% in overall sales last quarter.



Susan from Five Star #9860 in Springfield shows off prizes from the last out-of-stock contest. By taping ticket packs and keeping track of inventory, the retailer was able to lower their out-of-stock percentage from 8% to 0.45%!



Zack at Quick Stop in Lancaster prides himself on having less than half percent out-of-stock average in vending. He says the key to sales is having the product and asking for the sale.



Jigs Patel of South Green Market in Glasgow received his quarterly incentive recently. Jigs increased his sales by keeping his vending machines full and his out-of-stocks below 1%.



Ishvar Paul Patel at Kris Food Mart in Russell Springs does a great job at following plan-o-gram and activating new game tickets by 7:00 a.m. on launch days.



Raj, owner of Flex Market in Bowling Green, recently added a second vending machine to help accommodate growth with the lottery. Raj is holding his incentive check proudly for all his hard work and dedication to selling lottery.



Jr. Foods #839 in Bowling Green has had several big Scratch-off winners over the past several months. Big winning tickets are a draw to this location, but the real draw is the smiling faces that greet you at the door. Store manager Audrey and Avery are a mother-daughter duo who keep their store full of regulars and new customers alike.



Carol, manager at Gamaliel Market & Deli in Gamaliel, is all smiles after winning her territory's out-of-stock promotion. Her store's percentage went from 6.2% to 3.8%. By lowering her vending out-of-stocks, she also lowered her missed sales. **The Quarter | 29**

EASTERN SPOTLIGHT

By Wes Hardin, Eastern Regional Sales Manager

Our new fiscal year has started & I'm out in the field visiting you folks!

I'd like to shout out to Honey at CMR Quick Stop in Manchester, great to meet you! Billie at Quickie Mart in Manchester, I loved your milkshake story about our late LSR Wanda Roberts, thank you! Royal Tobacco in Manchester is a beautiful store! It was a pleasure meeting you, Payu & Andy. I enjoyed meeting you, Puala at Stop & Go-Garrard! I got to see Geneva at Handi Mart, an old friend of mine! It was great to see you again, Darlene at Shamrock BP! I was so happy to see Clara Creech at Creech's Food Mart! It was nice to meet you Mawmaw at Fast Track! Thanks for being a good lottery partner and nice meeting you, Diwash at SK Food Mart! Nice seeing you again, Penny at Town & Country Minute Market! I wish you well at your new job, Theresa at Fast Lane Tobacco 331. It was a pleasure meeting you, Diane at Martin Double Kwik! Great to see you again, Teresa at Speedway #9588! Hi Daniel at Clark's Pump & Shop #42, it was a pleasure to meet you! Hey Tony at Liquor World! It was fantastic seeing you again and fantastic job with your success there! It was nice to meet you, Ricki at Whitley City Market! Niki at Shephard's One Stop, nice to meet you! Great to see you again, Kash of Kash Stop! Good luck with all of your new locations!

And everyone else in the Eastern Region, I'm looking forward to visiting as many of you as possible this year. Thank you from our entire sales team for making the Kentucky Lottery successful!

TOP 3 RETAILERS IN THE EASTERN REGION, SCRATCH SALES PERCENTAGE INCREASE Q3 FY22 VS. Q3 FY21:

#1 MAIN STREET VALERO
471%

#2 WALMART #3363
398%

#3 SUPERMERCADO GUANAJUATO #2
344%



We'd like to welcome, owner Samantha Riley of Sam's Corner Carryout in Raceland as a new lottery retailer!



Christy Back at VIP in Salyersville has increased sales 28% by staying on plan-o-gram, using face cards and providing excellent customer service.



Since taking ownership, Dharmegh (pictured) and Neelam Patel have done a really good job at Shell Pineville, lowering out-of-stocks and increasing sales. Their store always looks great.



Sandy (manager) and Wanda of Prestonsburg Double Kwik #1 were winners of the Early Activation Contest for the July game launch. They always activate their packs early and do a great job of keeping the machine and dispensers full and on plan-o-gram; this has led to sales of over \$1,000,000 over the past two years.



Heet Patel at Poppa's Quick Stop #8 in Stearns won first prize in his territory's out-of-stock contest. He received \$300 worth of Scratch-off tickets.



Dhaval and Debby at BP Foodmart in Flemingsburg. They've done a great job increasing sales, keeping dispensers and the Gemini full at all times. The out-of-stock average for their Gemini is 0.49%, providing a 51% increase in sales.



Owner Victor Patel of East West Market in Williamsburg keeps his dispensers full and on plan-o-gram.



Kristy, manager from Clark's Pump N Shop #52 in Grayson, is showing off her coupons and goodie bag for winning the Early Bird Promotion in her territory. Kristy does great job with keeping counter and vending machines full.



Manager Tammy from Smoker Friendly Express Mart #2 in Grayson is showing off her goodie bag and coupons she won for her territory's launch day contest. In the short time she's been there, she's increased sales by 72%.



Eddie Campbell, owner of Campbell's BP in Hazard, likes for his customers to have a lot of variety. In the past two years, he has increased tickets on the counter and added a vending machine to give his customers more choices.



Dasharath Patel from Red River Spirits in Clay City is always challenging his LSR for more signage. He has said many times, "Customers need to know what products you have and outdoor signage lets them know."

WESTERN SPOTLIGHT

By Chris Green, Western Regional Sales Manager

The Western Region would like to thank all of our retailers for keeping the great sales going. We have a lot of momentum going into the middle of the fiscal year with our new Kentucky 5 jackpot game. There is a lot of excitement around this game, and if any retailer would like additional POS for the launch, please contact your sales rep. We have a lot of impactful signage for this Kentucky-only game.

We also have all of our Holiday games out and about, which always are strong sellers. If you need to add facings as we get closer to Christmas for inventory support, let your sales rep know. We can add four game towers to help keep you in stock for those last-minute sales.

Time flies when we're having fun, and the Western region is having a lot of fun keeping our retailers informed of all of the impactful items we have to offer customers to help drive sales in your stores. Thanks again for all you do, and we know it's going to be a great year!



The staff at Smoke Shop #2 in Paducah and LSR Melissa Gable (in red) wear stickers with the Mega Millions jackpot amount on them to encourage players to purchase their tickets for the over a billion dollar jackpot.



Out-of-stock promotion winner Piggly Wiggly #514 in Hopkinsville won a pack of Break Fort Knox tickets from their LSR Shannon Knight. Toya and Heather lowered out-of-stock percentage of 6 to under 5.



Gospel and Yash at Eagles VII in Drakesboro always enjoy articles found in The Quarter.

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Vick from Quality Quick #21 in Owensboro is consistently one of the higher volume lottery retailers in the area due to his great customer service and his attention to detail. He is always on planogram and his out-of-stocks are always under 5%.



Manager Key, from Quality Quick #9, is proudly holding signage being placed at his store as our newest cashing agent in Henderson. Key worked really hard to achieve cashing agent status and always does a great job following best practices.



Lisa, the office manager at Sureway #524 in Henderson, won a pack of Scratch-off tickets by having 0% out-of-stocks during our out-of-stock reduction contest.



While the Food Giant #522 office manager was out on medical leave, Hailey, office assistant at the Marion retailer, was trained on the Gemini Touch and taping packs. She received a goody bag for having 0% out-of-stocks for a four-week period.



SD and Ohruv Patel from Jumpin Jacks #402 in Owensboro follow the KLC's best practices. SD has two vending machines and 48 games on the counter. He keeps his out-of-stocks under 1% the entire year! This keeps him on track to hit his sales goals and earn his quarterly incentive.



Brothers Sonny and Ravi at Jumpin Jacks #425, in Morgantown, are known for customer service and keeping out-of-stocks low.



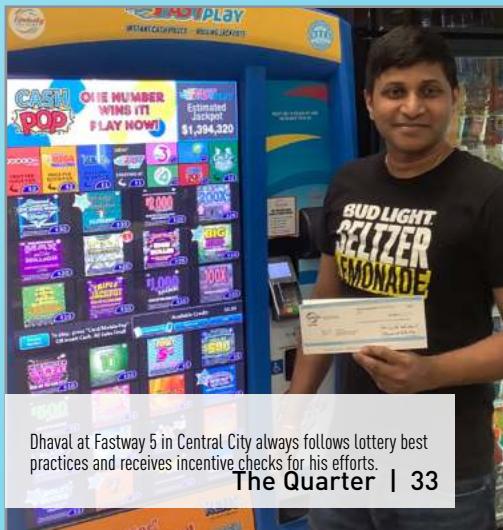
Rakesh at Indian Hills #1, in Beaver Dam, does a great job of keeping his vending full and out-of-stocks on the counter low. The store recently had a \$50,000 winner.



The staff at Kentucky Tobacco Outlet in Paducah along with their LSR Melissa Gable wore Mega Millions stickers when the jackpot was over a Billion dollars.



Staff at Max Fuel Express #119 in Hopkinsville show winner awareness signage for a \$5,000 200X Scratch-off winner sold at the store.



Dhaval at Fastway 5 in Central City always follows lottery best practices and receives incentive checks for his efforts.

NEW FACES

WELCOME TO THESE NEW FIELD SALES REPRESENTATIVES
IN THE JEFFERSON REGION!



Jon Reeves



Carson Meskimen



Two senior lottery sales representatives have been promoted to key account managers. They are:

Michael Hayden, who is based in the Western Region. Michael started his lottery career in 2018 and quickly jumped to the top, finishing as rookie of the year in 2019, and Lottery sales rep of the year in 2021. Michael was been a top performer in sales vs. quota and a perennial leader in out-of-stock percentage.

Alfredo Santana, who is based in the Central Region. Alfredo joined the lottery in March 2020, and was instrumental in developing the recruiting program for Hispanic retailers and creating bilingual materials. In August 2021 he was promoted to Senior Sales Representative in the Central Region and finished the year ranked in the top 10 in both Scratch-off and total sales.





AMY'S CLOSING THOUGHTS

This is the “Most Wonderful Time of the Year” to be a KLC retail partner! And here’s why:

- You’ve helped raise \$4.4 Billion to scholarship and grant programs for Kentuckians.
- Many of you are under 5% out of stock in the vending machines.
- VIP Platinum launched in September as a scratch off game and a terminal generated game. Our players loved it!
- The first Retailer Appreciation Night was held at the Louisville Bats baseball game since 2019.
- Fast Play – the popular game where 99% of the prizes are payable at the retail location. Now that’s a WIN, WIN. The game has seen its highest progressive jackpot yet of \$1.4 million. It’s a traffic driver and commissions are paid two ways on one game! Not to mention the “Dollars for Scholars” that are generated.
- Keno and Cash Pop – football and basketball are in full swing, the self service Keno machines are just what your players are looking for.
- And the BIGGEST STARS besides YOU, our retail partners, is the \$50 ticket 500X! Not to mention the holiday \$1, \$2, \$3, \$5, and \$10 instant games. Who doesn’t love a “White Elephant” during the holidays? There’ll be a “HO HO Whole Lotta \$500’s” that’ll be “Snow Much Fun”! These games are sure to knock the stockings right off the chimney this season!
- And of course, to take us into the New Year, we’ll have a two \$5, a \$10 and a \$20 launch on December 1st that will make great stocking stuffers also!

This is such a fantastic time of the year and a wonderful time to be a part of the Kentucky Lottery. A big THANKS to each of you for continuing to support the KEEs and the “Dollars for Scholars” mission.

SO, I’m thinking, and your wonderful lottery sales reps are too, the KLC has the best retail partners in the country! Congratulations on a job well done and Happy Holidays!

Amy Drooker

Kentucky Lottery Vice President and Chief Revenue Officer





HOW'D THEY DO IT?

DISPLAY LOTTERY POINT-OF-SALE FROM THE CURB TO THE COUNTER

"When they open the door, it's the first thing the customer sees. It's in the front of their mind, they buy a ticket and other products as well."

- Krishna Bhusal
Georgetown Food Mart