

**KENTUCKY LOTTERY CORPORATION
OFFICE OF THE PRESIDENT
RULES AND REGULATIONS
“HOLIDAY CHEER” - INSTANT GAME NO. 740**

Instant “**HOLIDAY CHEER**” tickets shall be made available for sale at the discretion of the President of the Kentucky Lottery Corporation and shall continue on sale until the President announces a termination date. The price of each ticket shall be two dollars (\$2.00), unless authorized by the President at a discount for promotional purposes.

Each “**HOLIDAY CHEER**” ticket consists of a latex covered play area containing a total of twelve (12) Play Spots (ten (10) “Your Numbers” Play Spots and two (2) “Winning Numbers” Play Spots) and ten (10) Prize Spots. The player determines if the ticket is a winner by removing the scratch-off material from the play area. If the player matches any of the “Your Numbers” Play Symbols to either of the “Winning Numbers” Play Symbols, the player shall win the corresponding prize amount shown directly below that matching “Your Numbers” Play Symbol. If the player finds a “BLACK CANDY CANE” symbol in the “Your Numbers” play area, the player shall win the corresponding prize symbol shown directly below that symbol automatically. If the player finds a “GREEN GIFT” symbol in the “Your Numbers” play area, the player shall win two (2) times the corresponding prize symbol shown directly below that symbol. A player may win up to ten (10) times and up to Ten Thousand Dollars (\$10,000.00) on each “**HOLIDAY CHEER**” ticket.

The game consists of approximately 3,120,000 tickets ordered. The approximate number of winners and the value of the prizes, along with the approximate odds of winning based on 3,120,000 tickets ordered, are listed below. The actual number of winners, the actual prize fund, the actual percentage payout and the actual odds of winning may vary based upon the actual number of tickets available for sale, and will vary in the event of a reorder of tickets. Chances of winning and number of prizes will change as prizes are won. Tickets may continue to be sold after some prizes, including all top prizes, have been claimed.

The determination of prize winners is subject to validation pursuant to the following Prize Structure and Sections 5 and 6, below, entitled “Claim Period” and “Ticket Validation Requirements,” respectively.

**“HOLIDAY CHEER”
Instant Game #740
Prize Structure**

<u>PRIZE</u>	<u>TOTAL EXPECTED WINNERS</u>	<u>CONSOLIDATED ODDS OF 1:</u>
\$2	353,600	8.82
\$3	228,800	13.64
\$5	124,800	25.00

\$10	41,600	75.00
\$20	20,800	150.00
\$30	15,600	200.00
\$50	5,200	600.00
\$100	2,028	1,538.46
\$500	234	13,333.33
\$10,000	6	520,000.00
TOTAL GAME ODDS		3.94

BLACK CANDY CANE = WIN PRIZE SHOWN AUTOMATICALLY (COVERED
IN PATTERNS)

GREEN GIFT = WIN DOUBLE PRIZE SHOWN

BASED ON 3,120,000 TICKETS ORDERED
PRIZE FUND \$3,957,400 (63.42%)

* REORDER SUBJECT TO SECTION 13

1. DEFINITIONS

- A. **Lottery** means the Kentucky Lottery Corporation.
- B. **KLC** means the Kentucky Lottery Corporation.
- C. **President** means the President of the Kentucky Lottery Corporation or any other person to whom the President's authority is lawfully delegated.
- D. **Pack** shall mean a quantity of 150 contiguous, fanfolded tickets bearing a common pack number and consecutive ticket numbers.
- E. **Pack Ticket Number** means a thirteen (13) digit numeric code imaged in black ink and located on the back of the ticket.
- F. **Ticket Validation Number** means the unique eighteen (18) digit number found on the face of the ticket and concealed under the rub-off material. The Ticket Validation Number shall be imaged in black ink in Validation Font.
- G. **Legends, Play Symbols, Play Symbol Captions, Prize Symbols and Prize Symbol Captions**, if applicable, are one of the following, the meanings of which are described in detail:

Play/Prize Symbols: The twelve (12) Play Spots and ten (10) Prize spots shall appear under the rub-off material on the face of the ticket and will be imaged in black and green ink in Symbol Font in positive and are demonstrated below.

Play/Prize Symbol Captions: the small printed material appearing immediately below each Play Symbol. One (1), and only one (1), of the Play Symbol Captions

shall appear below each of the twelve (12) Play Spots and ten (10) Prize spots concealed under the material covering the game play area on the face of the ticket.

Play/Prize Symbol Captions are printed in black and green ink in Caption Font in positive. The Play/Prize Symbol Captions for “**HOLIDAY CHEER**,” which correspond with and verify the Play/Prize Symbol play spots, are as follows:

H. GAME SYMBOLS

1. **Your Numbers Play Symbols:** There are ten (10) “Your Numbers” Play spots. The Symbols will be in black and green in positive with Captions in black and green in positive as shown below.

Black Play Symbols:

1 ONE	2 THO	3 THR	4 FOR	5 FIV	6 SIX	7 SVN	8 EGT	9 NIN	10 TEN
11 ELVN	12 THLV	13 THRT	14 FORTN	15 FFTN	16 SXTN	17 SVTN	18 EGHTN	19 NINTN	20 THNTY
									

Green Play Symbols:

1 ONE	2 THO	3 THR	4 FOR	5 FIV	6 SIX	7 SVN	8 EGT	9 NIN	10 TEN
11 ELVN	12 THLV	13 THRT	14 FORTN	15 FFTN	16 SXTN	17 SVTN	18 EGHTN	19 NINTN	20 THNTY
									

2. **Winning Numbers Play Symbols:** There are two (2) “Winning Numbers” Play spots. The Symbols will be in black in positive with Captions in black ink in positive as shown below.

1 ONE	2 THO	3 THR	4 FOR	5 FIV	6 SIX	7 SVN	8 EGT	9 NIN	10 TEN
11 ELVN	12 THLV	13 THRT	14 FORTN	15 FFTN	16 SXTN	17 SVTN	18 EGHTN	19 NINTN	20 THNTY

3. **Prize Symbols:** There are ten (10) Prize spots. The Symbols will be in black in positive with Captions in black ink in positive as shown below.

\$1.00 ONEDOL	\$2.00 THODOL	\$3.00 THROOL	\$5.00 FIVDOL	\$10.00 TENDOL	\$20.00 TWENTY
\$30.00 THIRTY	\$50.00 FIFTY	\$100 ONEHUN	\$500 FIVHUN	\$10,000 TENTHO	

4. **Legends:** The below Legends will be imaged in their respective play areas.

YOUR NUMBERS

WINNING NUMBERS

- I. **Bar Code** means the one (1) unique bar-coded representation made up of twenty-four (24) decimal digits that include the Game Identification Number, the Ticket Validation Number and Pack Number imaged on the back of the ticket, and the one (1) unique bar-coded representation made up of twenty-seven (27) decimal digits that include the Game Identification Number, the Ticket Validation Number, the Pack Number and the security digits imaged on the front of the ticket covered by the scratch-off coating.

2. REDEMPTION

- A. Tickets winning a cash prize of \$600.00 or less may be redeemed at Kentucky Lottery Retailers. Retailers may continue to pay such prizes for one hundred and eighty (180) days after the announced end of sales for this game.
- B. Tickets winning a cash prize over \$600.00 and up to \$5,000.00 may be claimed at authorized Kentucky Lottery Regional Offices, authorized cashing agents, or by mailing your signed winning ticket and claim form to: Kentucky Lottery Corporation, Claims Dept. 100, Louisville, Kentucky 40287-0001.
- C. Prizes over \$5,000.00 and up to \$99,999.99 may be redeemed at Lexington Regional Office or at the KLC headquarters located at 1011 West Main Street, Louisville, Kentucky 40202. Designated cashing agents may be authorized to redeem prizes up to \$25,000.00.
- D. Prizes over \$99,999.99 must be redeemed at KLC Headquarters.

3. DETERMINATION OF INSTANT PRIZE WINNERS

The determination of prize winners is subject to validation pursuant to the paragraphs below entitled "CLAIM PERIOD" and "TICKET VALIDATION REQUIREMENTS".

- A. The play area is to be rubbed off to determine the twelve (12) Play Spots (ten (10) "Your Numbers" Play Spots and two (2) "Winning Numbers" Play Spots) and ten (10) Prize Spots. If the player matches any of the "Your Numbers" Play Symbols to either of the "Winning Numbers" Play Symbols, the player shall win the corresponding prize amount shown directly below that matching "Your Numbers" Play Symbol. If the player finds a "BLACK CANDY CANE" symbol in the "Your Numbers" play area, the player shall win the corresponding prize symbol shown directly below that symbol automatically. If the player finds a "GREEN GIFT" symbol in the "Your Numbers" play area, the player shall win two (2) times the corresponding prize symbol shown directly below that symbol. A player may win up to ten (10) times and up to Ten Thousand Dollars (\$10,000.00) on each "HOLIDAY CHEER" ticket. The prizes that may be awarded are as follows:

\$2 = (two dollars) or

\$3	= (three dollars) or
\$5	= (five dollars) or
\$10	= (ten dollars) or
\$20	= (twenty dollars) or
\$30	= (thirty dollars) or
\$50	= (fifty dollars) or
\$100	= (one hundred dollars) or
\$500	= (five hundred dollars) or
\$10,000	= (ten thousand dollars)

4. TICKET RESPONSIBILITY

- A. An Instant Game Ticket is a bearer instrument.
- B. The KLC shall not be responsible for lost or stolen Instant Game Tickets.
- C. The KLC shall not be responsible for tickets claimed by a player in error for a lower prize at a Retailer location.

5. CLAIM PERIOD

All prizes for this Instant Game must be claimed no later than one hundred and eighty (180) days after the announced end of sales for this game. Any prize not claimed by that date, and in the manner prescribed in this directive and on the back of each ticket, shall be forfeited.

6. TICKET VALIDATION REQUIREMENTS

To be a valid “**HOLIDAY CHEER**” Instant Game Ticket, all of the following requirements must be met:

- A. Exactly twelve (12) Play Symbols and ten (10) Prize Symbols must appear beneath the rub-off area on the face of the ticket.
- B. Exactly twelve (12) Play Symbol Captions and ten (10) Prize Symbol Captions must appear below each of the twelve (12) Play Symbols and ten (10) Prize Symbols in the game play area, and each Play Symbol Caption must correspond with the Play Symbol under which it appears.
- C. The Legends, Play Symbols, Play Symbol Captions, Prize Symbols, Prize Symbol Captions identified in Section 1, and Ticket Validation Number, Pack Ticket Number and Bar Code on the ticket must be imaged in black and green ink in their entirety and be fully legible. Any deviation thereof must be submitted by claim for reconstructive verification.
- D. The ticket must be intact.

- E. The ticket must not be mutilated, altered, unreadable, reconstituted or tampered with in any manner.
- F. The ticket must not be counterfeit.
- G. The ticket must have been issued by the KLC in an authorized manner and must not be stolen nor appear on any list of voided tickets on file at the KLC.
- H. The Legends, Play Symbols, Play Symbol Captions, Prize Symbols, Prize Symbol Captions identified in Section 1, and Pack Ticket Number and Ticket Validation Number, must be right-side-up and not reversed in any manner. Any deviation thereof must be submitted by claim for reconstructive verification.
- I. The ticket must be complete and not miscut, and have exactly one (1) eighteen (18) digit Ticket Validation Number, Legends, Play Symbols, Play Symbol Captions, Prize Symbols, and Prize Symbol Captions, if applicable, as identified in Section 1, present in the play area on the front of the ticket. It must also have one (1) unique bar-coded representation made up of twenty-four (24) decimal digits that include the Game Identification Number, the Ticket Validation Number and Pack Number imaged on the back of the ticket, and one (1) unique bar-coded representation made up of twenty-seven (27) decimal digits that include the Game Identification Number, the Ticket Validation Number, the Pack Number and the security digits imaged on the front of the ticket covered by scratch-off coating.
- J. The Ticket Validation Number and Pack Ticket Number of an apparent winning ticket must be confirmed by the KLC as that of a winning ticket and must not have been previously paid.
- K. The ticket must not have a hole punched through it and must not be blank or partially blank, misregistered, defective, or printed or produced in error.
- L. Each of the Play Symbols must be exactly one of those described in the paragraphs above entitled "1. DEFINITIONS: "Play Symbol" and "Play Symbol Caption," respectively.
- M. The Legends, Play Symbols, Play Symbol Captions, Prize Symbols, Prize Symbol Captions identified in Section 1, and Ticket Validation Number, Pack Ticket Number and Bar Code on the ticket must be imaged in the specified font sizes and correspond precisely to the artwork for this Instant Game on file at the KLC.
- N. The display printing must be regular in every respect and correspond precisely with the artwork for this Instant Game on file at the KLC.
- O. The ticket must pass all validation tests of the KLC. Any ticket(s) not passing all the validation tests in this section are void and ineligible for any prize.

7. TAXES

Kentucky and federal withholding shall be withheld by the KLC from prize payments in such amounts as may be required, in accordance with applicable provisions of state and federal law.

8. DISPUTES

In the event a dispute between the KLC and the ticket bearer occurs as to whether a ticket is a winning ticket and the ticket prize has not been paid, the President may, solely at his or her option, replace the disputed ticket(s) with an unplayed ticket or tickets of equivalent sale price from a current KLC Instant Game. This shall be the sole and exclusive remedy of the bearer of the ticket in the event of such disputes.

9. GOVERNING LAW

In purchasing a ticket, the purchaser agrees to comply with and abide by applicable Kentucky state laws; all rules, regulations, directives and final decisions of the KLC; and all procedures established by the President for the conduct of the game. Persons altering tickets are subject to prosecution.

10. PURCHASE AND PRIZE RESTRICTIONS

No Instant Game Ticket shall be purchased and no prize paid to any of the following persons: any member of the Board of Directors, officer or employee of the KLC; any vendor (as defined in KRS 154A.010) or related entity; any member of the Board of Directors, officer, employee of, partner in, or owner of any vendor or related entity to the vendor; or any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any said person.

11. TERMINATION OF THE GAME

The President, at any time, may announce an end of sales date for the game. No tickets for this game shall be distributed to Retailer locations after that date.

12. RETAILER CONDUCT

- A. Retailers shall sell their tickets in sequential order within a pack, and in Pack-Number order.
- B. Retailers are prohibited from exchanging packs with other Retailers.
- C. Retailers are prohibited from playing Instant Game Tickets using any method other than fair chance, or in any manner contrary to the principle that every ticket has an equal and random chance of winning a prize.

- D. Retailers and Retailers' employees are prohibited from placing their own or any other name on any ticket not purchased and redeemed by said Retailer or employee.


13. REORDER

If determined by the KLC's President or his designee, this game (KY-740) is subject to a full or partial reorder of tickets. The partial reorder quantity will be based on a subset of the original prize structure proportionate to each prize level, such that the odds for each prize, including the top prize, remain the same. All new prizes from the reorder quantity will be added to the value of prizes from the original game prizes and become part of the total prizes for the game. The reorder may consist of one of the prize structures set out below.

Reorder Amount: 1/2 of the game Order Quantity: 1,560,000 tickets Pool Size: 120,000 tickets			Reorder Amount: Full reorder Order Quantity: 3,120,000 tickets Pool Size: 120,000 tickets		
Tier	\$ Prize	Winners	Tier	\$ Prize	Winners
1	\$2	176,800	1	\$2	353,600
2	\$3	114,400	2	\$3	228,800
3	\$5	62,400	3	\$5	124,800
4	\$10	20,800	4	\$10	41,600
5	\$20	10,400	5	\$20	20,800
6	\$30	7,800	6	\$30	15,600
7	\$50	2,600	7	\$50	5,200
8	\$100	1,014	8	\$100	2,028
9	\$500	117	9	\$500	234
Top Prize	\$10,000	3	Top Prize	\$10,000	6


Director of Scratch Games

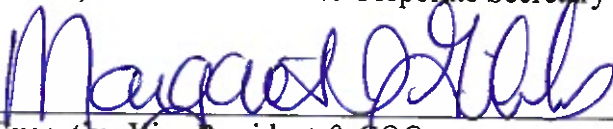
6/13/19
Date


Sr. Vice President – Sales & Marketing


6/13/19
Date


Sr. VP, General Counsel & Corporate Secretary


6/10/19
Date


Executive Vice President & COO

6/13/19
Date


President & CEO

6-14-19
Date


Chairman of the Board

6/14/19
Date