

GLC RULES – COIN OPERATED AMUSEMENT MACHINES
RU 13.3 LOTTERY TICKETS AS COIN OPERATED AMUSEMENT MACHINE PRIZES

RU 13.3.1 PURPOSE

This Rule RU 13.3 shall apply to and govern the awarding of Lottery Tickets as Coin Operated Amusement Machine (“COAM”) Prizes pursuant to the O.C.G.A. § 50-27-1, et seq., being the Georgia Lottery for Education Act (the “Act”), and O.C.G.A. § 16-12-35, both of which were amended in the 2013 Legislative Session of the Georgia General Assembly in enacted House Bill 487. Any person who violates applicable law in the awarding of Lottery Tickets as COAM Prizes shall be subject to applicable sanctions, including but not limited to fines, suspensions, loss of licenses and criminal penalties, as appropriate. This Rule RU 13.3 contains specific rules, regulations, procedures, instructions and directives which apply to lottery tickets from the Georgia Lottery Corporation offered as COAM prizes. The GLC will, from time to time, amend these Rules and adopt new Rules and Regulations that pertain to lottery tickets as COAM prizes. In the event of a conflict between this Rule RU 13.3 and the Act, the Act will govern.

RU 13.3.2 DEFINITIONS

Activated Pack	The status of a pack of instant tickets which indicates to the GLC that tickets are being sold from that pack.
Canceled Ticket	A ticket voided through the on-line game system by the selling retailer.
Claim Center	A Georgia Lottery location designated by the CEO to pay claims for all prizes up to \$499,999.99.
Claim Form	The printed form authorized by the GLC that a player shall complete and submit to the GLC along with a winning ticket to be eligible to collect a prize.
Claimant	A player who has submitted a valid claim for payment within the required time frame.
COAM	Coin Operated Amusement Machine. Every machine of any kind or character used by the public to provide amusement or entertainment whose operation requires the payment of or the insertion of a coin, bill, other money, token, ticket, or similar object and the result of whose

operation depends in whole or in part upon the skill of the player, whether or not it affords an award to a successful player pursuant to subsections (b) through (g) of Code Section 16-12-35, and which can be legally shipped interstate according to federal law.

COAM Location A place of business that operates a bona fide coin operated amusement machine for commercial use by the public.

COAM/GLC Location A place of business that operates a bona fide coin operated amusement machine for commercial use by the public and is also a lottery retailer.

GLC Georgia Lottery Corporation.

Instant Game Any instant ticket lottery game, offered for sale to the public that is played by revealing a hidden play area from a ticket to display the play symbols.

Invalid Tickets An invalid ticket is defined as either an online ticket which has been cancelled, is expired or rendered useless or an instant ticket from a game that has ended, or the ticket has been declared missing, stolen, damaged or any other status that renders the ticket useless.

Lottery Retailer As defined in the Act, a legal entity which sells lottery tickets on behalf of the GLC pursuant to a contract.

Lottery Tickets Refers to a lottery ticket evidencing participation in an instant game or tickets produced by on-line lottery terminals and players match their numbers to those produced during regularly scheduled drawings.

~~**Master License** The certificate which every owner of a bona fide coin operated amusement machine must purchase and display in the owner's or operator's place of business. The machine is to be located for commercial use by the public for play in order to legally operate the machine in the state.~~

~~**Master Licensee** The holder of Master License and owner of bona fide coin operated amusement machines.~~

Operator Any person, individual, firm, company, association, corporation, or other business entity that exhibits, displays, or permits to be exhibited or displayed, in a place of business other than his own, any bona fide coin operated amusement machines in this state.

Owner Any person, individual, firm company, association, corporation, or other business entity owning any bona fide coin operated amusement machine in this state.

Settled Pack The status of a pack of instant tickets which indicates to the GLC that

the pack has been reconciled and included in that week's net due from the retailer.

Share As defined in the Act, any valid tangible or intangible evidence of participation in a lottery game, including tickets and card transactions.

RU 13.3.3 GENERAL RULES

~~(1) The GLC shall establish and maintain a program which permits COAM owners or operators, COAM/Lottery Retailers and Master Licensee owners to acquire lottery tickets which are to be utilized as prizes for COAMs.~~

~~(2)~~(1) Only instant tickets may be used as COAM prizes at any non-lottery.

~~(3) Each Master Licensee may apply to become a Lottery Retailer to order and sell lottery tickets as may be authorized by the GLC, at its Master License location(s) listed in the Lottery Retailer Contract, for further distribution to its affiliated COAM Locations for use as COAM prizes by those COAM Locations as authorized by the GLC.~~

~~(4) Master Licensees may submit a Lottery Retailer application through the Lottery Retailer Contracts Department for being a Lottery Retailer. Master Licensee applicants will adhere to the same application requirements as other Lottery Retailers.~~

RU 13.3.4 ACQUISITION OF LOTTERY TICKETS

(1) Each location owner or operator of a business with one or more bona fide licensed COAMs, who is not a Lottery retailer and who seeks to use lottery tickets or shares as prizes for bona fide COAMs, may purchase Lottery tickets at any Lottery retailer location, GLC District Office, or GLC Kiosks, ~~or any of their designated Master Licensees.~~

(2) A Lottery retailer who ~~is also an owner owns or and~~ operates ~~of~~ one or more bona fide licensed COAM locations may order purchase and pay for lottery tickets at their own Lottery Retailer Location and offer those instant packs of tickets ~~or shares for their own lottery retailer location and offer those instant tickets~~ as prizes to customers who lawfully play and win ~~lawful~~ coin operated amusement games ~~or devices found~~ at that same location.

RU 13.3.5 DISTRIBUTION OF LOTTERY TICKETS

(1) A ~~Master Licensee owner or a L~~ottery retailer may not sell lottery tickets, which are to be utilized as prizes for COAMs, to a COAM player for more than face value of the ticket(s).

(2) Each Lottery retailer who owns or operates and ~~location owner or operator of a business who is also an owner~~ s or operates ~~of~~ one or more bona fide licensed COAM locations may ~~supply use their existing~~ lottery tickets inventory to provide or shares as ~~COAM prizes to customers who lawfully play and win COAM prizes at that same location. from their existing lottery ticket inventory.~~

- (3) A COAM location owner or operator, that is not a GLC Lottery Retailer, is prohibited from selling lottery tickets.
- ~~(4) A COAM location owner or operator is permitted to only distribute purchased lottery tickets to other COAM locations which are fully or partially owned by the same COAM location owner(s).~~
- ~~(5)~~(4) Invalid tickets or shares ~~as prizes~~ shall not be knowingly distributed to players by COAM locations. All inventory must be monitored regularly. Invalid tickets ~~consist of the following~~include:
- (a) Instant tickets from games ~~which~~ that have officially ended
 - (b) Fully or partially expired online tickets
 - (c) Cancelled online tickets
 - (d) Instant tickets in any status other than an Active or Settled ~~status~~
- ~~(6)~~(5) COAM locations are encouraged to report any Lottery retailer ~~or Master Licensee~~ selling invalid lottery tickets or selling lottery tickets greater than face value.
- ~~(7)~~(6) The GLC is not required to accept the return of lottery tickets from COAM locations that are not licensed lottery retailer locations. All lottery ticket sales made to non-lottery COAM locations are final.
- ~~(8)~~(7) No person under 18 may ~~ever be eligible to receive~~ Lottery ~~t~~Tickets(s) or sShares. COAM locations must implement safeguards to prevent any prize issuance to minors. ~~for COAMsThe~~
- ~~(9)~~(8) ~~No~~ Lottery Tickets may not be offered or awarded as COAM prizes for ~~COAMs which are machines~~ classified as 'Class A ~~machines~~' under the Georgia Code, or for machines determined by the GLC to be primarily designed for use by person under the age of 18 ~~which are primarily designed for use by persons under the age of 18, as determined by the GLC~~
- ~~(10)~~(9) Although the GLC actively promotes the sale of ~~its~~ Lottery ~~T~~Tickets to benefit support education in Georgia, ~~the GLC~~it does not endorse any products or services ~~promoted offered~~ by other commercial ~~ventures~~entities. Accordingly Therefore, unless ~~otherwise expressly~~ authorized in writing by the GLC, ~~the GLC requires that~~ Retailers must refrain from using the GLC's logo, the COAM logo and or any copyrighted GLC terms in the business promotions, including those described in this policy ~~course of their business promotions generally and as described herein.~~

RU 13.3.6 PAYMENT FOR LOTTERY TICKETS

- ~~(1) Each Master Licensee shall have a fiduciary duty and responsibility to preserve and account for all instant tickets accepted from the GLC or its distributor, as well as cash proceeds from the sale of any lottery products to a COAM owner or operator, subject only to exceptions, clarifications or modifications as may be adopted from time to time, as appropriate, in accordance with uniform criteria approved by the CEO.~~
- ~~(2) Master Licensee owners, or their designee, are required to notify the Lottery Retailer Services Department once instant packs of tickets have been purchased by and distributed to COAM locations in order to have the packs Activated for use as COAM prizes.~~
- ~~(3) Any instant tickets not properly accounted for by the Master Licensee upon termination of the Retailer Contract, upon demand by the GLC, or at the End of Game date for the corresponding instant game, regardless of the reason, shall be the responsibility of the Master Licensee, subject only to exceptions, clarifications or modifications as may be adopted in accordance with uniform criteria approved by the CEO.~~
- ~~(4)~~(1) ~~As a general rule~~As a rule, a Pack of Instant Tickets will settle (i.e. become a Settled Pack) the next calendar day after the pack was activated (i.e. became an Activated Pack) and will be included in the Retailer invoice for that accounting week.
- ~~(5)~~(2) Each Lottery Retailer location owner or location operator of a business who is an operator of one or more bona fide licensed COAM(s) may distribute their own lottery tickets or shares as COAM prizes, ~~and prizes~~ and shall be financially responsible to the GLC in accordance with their Lottery Retailer Contract.

RU 13.3.7 VALIDATION OF LOTTERY TICKETS

- (1) Validations of instant and online tickets shall follow current prize validation rules and regulations.
- (2) The Georgia Lottery Corporation (GLC) requires the redemption of winning lottery tickets, from COAM locations, only at Lottery Retailer locations or the GLC itself.
- ~~(3) COAM Locations are prohibited from redeeming, in exchange for cash, lottery tickets or shares awarded as COAM prizes.~~
- ~~(4)~~(3) COAM Locations are prohibited from purchasing winning lottery tickets from customers at a discounted price and redeeming those same lottery tickets at other retailer locations for the full prize amount.
- ~~(5)~~(4) COAM Locations are prohibited from imposing additional purchases or requirements on COAM players as a condition of awarding lottery tickets as COAM prizes.
- ~~(6)~~(5) Location Operators ~~shall be exclusively~~ are solely responsible to COAM players for ~~the all~~ consequences of any and all arising from the use of lottery tickets as COAM prizes. ~~In particular, without limitation, if an invalid or previously paid lottery ticket as awarded,~~

the ~~from a COAM Location, exclusive~~ player's sole remedy ~~will be to hold~~ is with the COAM Location ~~responsible, and no remedy will be available from the GLC~~; the GLC has no liability.

RU 13.3.8 CONSEQUENCES FOR VIOLATIONS

- (1) Violations may result in sanctions, including suspension or termination of COAM licenses or lottery retailer privileges.
- (2) Compliance with this Rule shall be enforced through oversight, inspection, disciplinary and corrective actions.