

Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 27, 2015

AGENDA ITEM: **Authorization for Maryland to Participate in Cash4Life™, a Multi-Jurisdictional Game**

PRESENTER: Gordon Medenica, Director

ISSUE SUMMARY: Attached is the game matrix and sales data from the other participating jurisdictions. Cash4Life™ is a terminal based draw game offering a top prize of \$1,000 a day for life and a second prize of \$1,000 a week for life. This game was first introduced in June 2014 by the New York and New Jersey lotteries and is now offered in four lottery jurisdictions: New York, New Jersey, Pennsylvania and Virginia. It is anticipated that the Tennessee Education Lottery Corporation will join this game in November 2015. To play Cash4Life™, players choose five numbers from 1-60 and one number from 1-4, (the Cash Ball). To win the top “for life” prize, players must match all five numbers drawn as well as the Cash Ball number. Players winning the top “for life” prize may elect to receive a lump sum of \$7 million or annual installments of \$365,000 for the natural life of the winner. In the event there is more than one top prize winner, the prizes will be paid on a pari-mutuel basis. To win the second “for life” prize, players must match all five numbers drawn but not the Cash Ball. Players winning the second “for life” prize may elect a lump sum payment of \$1 million or annual installments of \$52,000 for the natural life of the winner. In the event prize liability for the second “for life” prize exceeds \$5 million, the prizes will be paid on a pari-mutuel basis. In addition to the “for life” prizes, players may also win prizes ranging from \$2 to \$2,500. The overall odds of winning any prize are 1:8. Drawings are held every Monday and Thursday at 9:00 p.m.

Maryland would like to join this game in early calendar year 2016. Based on modeling from sales of the participating lotteries and a projected launch in early calendar year 2016, we anticipate generating \$8 million in sales and \$3.6 million in profit for fiscal year 2016. Annualized sales and profit are projected at \$18 million and \$8.1 million, respectively. Expected payout of the game is 55%.

If authorized, we will submit a letter to the Legislative Policy Committee requesting further approval.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration and possible action.

STAFF RECOMMENDATIONS: Staff recommends approval