

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
SUMMARY REPORT

Scratch Ticket Information

Date Completed 5/26/2020

Game #	2198	Confirmed Packs	3,635
Game Name	Hearts	Active Packs	2,545
Quantity Printed	7,218,250	Warehouse Packs	320
Price Point	\$2	Returned Packs	425
Start Date	1/20/2020	Printed Payout Percentage	65.03%
Top Prize	\$ 30,000	Percent Sold	86.84%
Number of Top Prizes Remaining	11	Number of Weeks Out	18

Current Game Sales Analysis

TANGIBLE COSTS

Expenditure Impact:

Cost to print tickets	\$ 109,278	Actual ticket production costs
Prize payout expense	\$ 7,606,769	Data from Instant Ticket Tier Liability screen in ES

Estimated Direct Costs \$ 7,716,047

TANGIBLE BENEFITS

Revenue Impact:

Estimated sales	\$ 12,536,657	Based on # of tkts printed, times % sold from DaVinci report, times the price point
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Total Estimated Benefits \$ 12,536,657

Excess of Revenue over Expended **\$ 4,820,610**

INTANGIBLE POSITIVE BENEFITS:

- Allows for open bin space for new games at same price point with higher average weekly sales.
- Allows retailers to return inventory to TLC that is not selling thus releasing their financial burden

INTANGIBLE NEGATIVE BENEFITS:

- There are still valuable prizes remaining in this game.

Assumptions:

- Estimated sales revenue is calculated based on the number of tickets printed times the percent sold from the DaVinci report. The percent sold amount is based on pack settlements. Some partial packs could be returned thus slightly reducing the sales revenue amount reported above.

Weekly Sales Comparison Information

	<u>Previous 3 Weeks Sales from DaVinci</u>	
Most recent week sales	\$	229,900
Next week	\$	274,188
Next week	\$	325,900
Avg Weekly Sales Current Game	\$	276,663
Avg Weekly Sales \$2; 5M - 9.99M Qty	\$	761,968
Percentage Of Variance In Sales		64%

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
RECOMMENDATION AND APPROVALS

Instant Ticket Information

Game #	2198	Printed Payout Percentage	65.03%
Game Name	Hearts	Actual Payout Percentage	60.68%
Percent Sold	86.84%	Number of Weeks Out	18
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run.			18

Recommendation

Based on the findings in this Summary Report, I am recommending closing the above game.

I am recommending closing the above game based on the below business reason(s):

Scratch Ticket Strategy Coordinator Date

Products Manager Date

By signing below, I agree with the recommendation of the Products Department Staff to close the above game.

Lottery Operations Division Director

Controller Date

Executive Director Date

**Not Required
Over 85% Sold**

Bowersock, Dale

From: Tirloni, Robert
Sent: Monday, June 1, 2020 5:26 PM
To: Bowersock, Dale
Subject: FW: Game Close Analysis Documents
Attachments: 1828 Texas Loteria.pdf; 2074 Super Loteria.pdf; 2082 Super Crossword.pdf; 2144 Million Dollar Loteria.pdf; 2187 Diamond Dollars.pdf; 2200 Quick 7s.pdf; 2201 \$50,000 Poker.pdf; 2198 Hearts.pdf

I approve of the Game Closings attached for games 1828, 2074, 2082, 2144, 2187, 2200, 2201 and 2198.

From: Bowersock, Dale <Dale.Bowersock@lottery.state.tx.us>
Sent: Tuesday, May 26, 2020 4:53 PM
To: Tirloni, Robert <Robert.Tirloni@lottery.state.tx.us>
Subject: Game Close Analysis Documents

Approved. DB 5/26/2020

Attached are the Analysis documents for June Pre-Call.



Product Line	Game	\$	Tix Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	Net Sales			
														5/23/20	5/16/20	5/9/20	5/2/20
Baseline	2212	\$1	9,187,950	FIND THE 9S	4/6/20			7	50.42%	10,470	9,087	8,754	15	\$698,123.00	\$770,622.00	\$774,775.00	\$790,077.00
	2222	\$1	9,297,600	MATCH 2 WIN	5/18/20			1	4.35%	19,348	10,318	27,082	2	\$403,434.00	\$600.00	\$0	\$0
	2206	\$1	9,299,550	TIC TAC TOAD	3/2/20			12	75.29%	7,233	6,554	429	42	\$385,650.00	\$505,098.00	\$555,093.00	\$591,545.00
	2220	\$2	7,321,250	EMERALD 8S	5/18/20			1	6.11%	17,189	10,054	24,211	2	\$893,952.00	\$1,000.00	\$0	\$0
	2214	\$2	9,300,375	LUCHA LIBRE LOOT	4/20/20			5	23.17%	13,559	11,395	30,033	3	\$806,028.00	\$981,360.00	\$975,330.00	\$945,990.00
	2204	\$2	7,199,000	SIZZLING HOT 7S	3/16/20			10	65.37%	9,169	6,948	1,779	12	\$825,532.00	\$996,946.00	\$1,079,342.00	\$1,158,474.00
	2163	\$3	41,105,925	TEXAS LOTERIA	4/6/20			7	7.77%	16,524	11,502	471,793	7	\$1,832,490.00	\$1,787,211.00	\$1,688,784.00	\$1,517,679.00
	2164	\$5	22,076,025	\$100,000 VIP CASHWORD	3/16/20			10	21.98%	15,289	10,289	198,982	13	\$2,633,600.00	\$2,610,815.00	\$2,691,740.00	\$2,765,645.00
	2213	\$5	7,045,350	MONEY MULTIPLIER	4/6/20			7	66.46%	11,391	9,715	6,080	9	\$2,976,590.00	\$3,088,390.00	\$3,113,525.00	\$3,288,780.00
	2211	\$5	7,341,450	PINK DIAMOND 7S	3/16/20			10	74.87%	9,747	8,328	3,069	10	\$2,291,505.00	\$2,393,160.00	\$2,510,815.00	\$2,589,315.00
	2221	\$5	7,148,925	SPACE INVADERS \$50,000 CASH IN	4/20/20			5	39.48%	18,399	13,013	22,865	6	\$2,288,625.00	\$2,668,755.00	\$3,025,500.00	\$3,663,960.00
	2226	\$10	18,095,250	\$250,000 50X CASHWORD	5/1/20			3	4.61%	32,467	9,221	296,657	5	\$4,822,960.00	\$2,954,820.00	\$565,590.00	\$0
	2208	\$10	7,142,200	\$50 OR \$100!	3/2/20			12	79.58%	14,491	8,802	1,322	22	\$5,124,520.00	\$5,166,520.00	\$4,988,140.00	\$5,123,090.00
	2223	\$10	7,279,250	BREAK THE BANK SUPER TICKET	5/4/20			3	23.81%	33,965	10,063	59,126	12	\$5,414,230.00	\$6,562,530.00	\$5,350,650.00	\$1,000.00
	2245	\$20	12,034,525	MILLION DOLLAR LOTERIA	3/2/20			12	22.60%	22,296	9,515	331,508	20	\$6,692,620.00	\$6,352,860.00	\$5,813,460.00	\$5,487,020.00
	2209	\$30	12,028,825	\$250 MILLION CASH PARTY	3/16/20			10	13.07%	15,762	9,239	388,658	34	\$5,097,510.00	\$5,265,690.00	\$5,219,100.00	\$5,573,460.00
	2227	\$50	5,138,000	\$1,000,000 GOLDEN RICHES	4/6/20			7	19.33%	14,472	8,625	178,253	32	\$8,184,450.00	\$8,166,350.00	\$7,484,250.00	\$7,309,900.00
Mature	1878	\$1	854,700	CASH ON THE SPOT	9/18/17			140	0.00%	0	0	2,172	22	\$0	\$0	\$0	\$0
	1804	\$1	829,650	LUCKY STARS	9/18/17			140	0.00%	0	0	70	765	\$0	\$0	\$0	\$0
	2193	\$1	29,035,950	MONOPOLY 10X	1/6/20			20	64.57%	11,903	9,880	43,389	18	\$709,085.00	\$771,202.00	\$745,503.00	\$741,859.00
	2200	\$1	9,245,700	QUICK 7S	2/3/20			16	88.85%	3,248	2,398	5	602	\$136,903.00	\$194,150.00	\$246,602.00	\$283,684.00
	2124	\$1	853,200	WINNING 7S	8/8/19			41	0.00%	0	0	4,198	577	\$0	\$0	\$0	\$0
	2127	\$2	7,109,375	4-WAY CASH	2/17/20			14	70.93%	7,843	5,920	1,581	80	\$467,958.00	\$559,332.00	\$590,476.00	\$678,668.00
	2161	\$2	34,822,125	BINGO EXTRA	10/7/19			33	62.10%	12,478	8,967	80,126	34	\$1,297,036.00	\$1,364,494.00	\$1,340,700.00	\$1,340,276.00
	2162	\$2	40,877,750	BREAK THE BANK	8/5/19			42	65.92%	12,258	9,794	85,134	18	\$1,377,450.00	\$1,449,904.00	\$1,431,492.00	\$1,360,120.00
	2198	\$2	7,218,250	HEARTS	1/20/20			18	86.84%	3,635	2,545	320	425	\$229,900.00	\$274,188.00	\$325,900.00	\$379,922.00
	2060	\$2	35,449,750	WEEKLY GRAND	8/19/19			40	50.54%	10,381	9,716	115,729	27	\$814,060.00	\$907,770.00	\$862,746.00	\$872,226.00
	2168	\$3	35,604,750	\$50,000 BONUS CASHWORD	2/17/20			14	21.34%	13,304	9,815	196,920	23	\$2,097,243.00	\$2,169,837.00	\$2,054,907.00	\$2,029,260.00
	2194	\$3	19,285,125	MONOPOLY 30X CROSSWORD	1/6/20			20	60.37%	10,173	9,256	38,895	35	\$1,429,911.00	\$1,506,012.00	\$1,584,273.00	\$1,604,517.00
	2199	\$5	7,131,225	88 FORTUNES	1/20/20			18	87.06%	4,463	3,548	2,691	45	\$843,335.00	\$909,600.00	\$912,405.00	\$937,635.00

Liability for 2198 / for Life to DateProduct Status:
ActiveSmartCash Enabled:
N/A

Validation Range: 12/24/2019 - 12/31/2037

Outstanding Prizes

Tier	Ref	SmartCash	Tier Value	Count	Amount	Tickets Paid Life to Date	Amount Paid Life to Date	% paid	Est. Tickets Sold
1	1	N/A	\$2.00	181020	\$362,040.00	665834	\$1,331,668.00	78.62%	5675306
2	2	N/A	\$4.00	72775	\$291,100.00	331484	\$1,325,936.00	82.00%	5918815
3	3	N/A	\$5.00	23003	\$115,015.00	111801	\$559,005.00	82.94%	5986525
4	4	N/A	\$10.00	13614	\$136,140.00	73024	\$730,240.00	84.29%	6083998
5	5	N/A	\$20.00	8562	\$171,240.00	49160	\$983,200.00	85.17%	6147555
6	0	N/A	\$40.00	1205	\$48,200.00	7048	\$281,920.00	85.40%	6164331
7	0	N/A	\$50.00	718	\$35,900.00	4276	\$213,800.00	85.62%	6180463
8	0	N/A	\$100.00	893	\$89,300.00	5195	\$519,500.00	85.33%	6159462
9	0	N/A	\$500.00	381	\$190,500.00	2367	\$1,183,500.00	86.14%	6217466
10	0	N/A	\$1,000.00	12	\$12,000.00	28	\$28,000.00	70.00%	5052774
11	0	N/A	\$30,000.00	11	\$330,000.00	15	\$450,000.00	57.69%	4164374
Totals:				302194	\$1,781,435.00	1,250,232	\$7,606,769.00		



INTEROFFICE MEMO

Gary Grief, Executive Director Michael P. Farrell, Charitable 1

7-218-250-0

10000

7-218-2500

7-218-25

14-54

104-255-2550

104-255-2550

4-225-0000

109-270-2550

0-0000

Payment Approval

December 27, 2019

The attached invoice(s) for service is being submitted for approval.

Vendor Name: Pollard Banknote Limited ✓
 P.O. Number (if applicable): 362-20-9010
 Invoice Number: 8513801 ✓
 Tx Game Name: Hearts #2198 ✓

DB

	Quantity	Unit Price	Amount
ticket size 4 x 4	7218.25	14.54	\$104,953.35
point of sale promo item	1	4325.00	\$4,325.00

Total Amount

\$109,278.36 ✓

The above referenced invoice(s) have been reviewed and certified as proper, accurate and should be paid by the Texas Lottery Commission.

Dale Bowersock
 Dale Bowersock (Scratch Ticket Strategy Coordinator)
 Please forward to the next person for approval

DB

12/30/19
Date

Dale Bowersock
 for Robert Tirloni
 Robert Tirloni (Products Manager)
 Please forward to the next person for approval

12/30/19
Date

Ed Poga for Ryan Mindell
 Ryan Mindell (Lottery Operations Division Director)

12-30-19
Date

Please return to Maria Perez in the Office of the Controller by

January 6, 2020



140 Otter Street
 Winnipeg, Manitoba
 Canada R3T 0M8
 Phone: (204) 474-2323
 Fax: (204) 453-1375

INVOICE NO.: 8513801

Sold To: Texas Lottery Commission P.O. Box 16630 Austin, TX 78761-6630 United States	Ship To: Texas Lottery Commission P.O. Box 16630 Austin, TX 78761-6630 United States
Terms: Net 30 days after date of invoice	

Invoice Date December 20, 2019	Order No. 1062998	Your Order	Customer No. 5008
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Order name: Hearts #2198
PO Number:

Product Description	Quantity	Unit Price	Amount
Ticket Size 4 x 4	7,218,250	14.54 /M	104,953.35
Point of Sale Promotional Item	7,218,250	4,325.00 Ea	4,325.00

Under unit price '/M' = price per thousand.

Before Taxes:	109,278.36 USD
Freight:	0.00
Deposit:	0.00
Amount Due:	109,278.36 USD

Banking Instructions:

TD Bank, NA
 2035 Limestone Rd.
 Wilmington, DE 19808
 ABA# 026013673
 Bank Account # 3248176206

Delivery: Prepaid
Tax ID/Contract Number: NA
GST Registration Number: 819251463

RECEIVED
 2019 DEC 27 AM 8:10
 OFFICE OF THE
 CONTROLLER

NO. OF TICKETS: 7,218,250
 NO. POOLS: 30.08
 PACK SIZE: 125
 PACKS/POOL: 1,920
 PACKS/GAME: 57,746

Minimum: 7,056,000
 Maximum: 7,344,000

TEXAS LOTTERY COMMISSION
 "HEARTS" - GAME NO. 2198
 END OF PRODUCTION PRIZE STRUCTURE
 18-Dec-19

VERSION A

7,218,250 \$2 TICKETS \$14,436,500 REVENUE PRIZE FUND \$9,388,204 PAYOUT % 65.03%

PRIZE TIER	PRIZE LEVEL REFERENCE NUMBER	TIER CODE	GET:	# OF WAYS		ODDS OF 1 IN:	WINNERS IN	WINNERS IN	WINNERS IN	PRIZE COST	PERCENT OF PRIZE FUND **	VALIDATION TIER LEVELS
				TO WIN:	WIN:		30.08 POOLS	125 (PER PACK*)	240,000 (Per Pool)			
1	1	L	\$2"2X HEART"	1	\$2	8.52	846,854	14.67	28,157.096	\$1,693,708	18.04%	
2	2	L	\$4"3X HEART"	1	\$4	17.86	404,259	7.00	13,441.230	\$1,617,036	17.22%	
3	3	L	\$5"4X HEART"	1	\$5	53.55	134,804	2.33	4,482.106	\$674,020	7.18%	
4	4	L	\$10"5X HEART"	1	\$10	83.32	86,638	1.50	2,880.632	\$866,380	9.23%	
5	5	L	\$20"6X HEART"	1	\$20	125.05	57,722	1.00	1,919.202	\$1,154,440	12.30%	63.97% LOW TIER
6	0	M	\$40"7X HEART"	1	\$40	874.62	8,253	0.14	275.000	\$330,120	3.52%	
7	0	M	\$50"8X HEART"	1	\$50	1,445.38	4,994	0.09	166.000	\$249,700	2.66%	
8	0	M	\$100"9X HEART"	1	\$100	1,185.65	6,088	0.11	202.000	\$608,800	6.48%	
9	0	M	\$500"10X HEART"	1	\$500	2,626.73	2,748	0.05	91.000	\$1,374,000	14.64%	27.30% MID TIER
10	0	H	\$1,000"11X HEART"	1	\$1,000	180,456.25	40	0.00	1.330	\$40,000	0.43%	
11	0	H	\$30,000"12X HEART"	1	\$30,000	277,625.00	26	0.00	0.864	\$780,000	8.31%	8.73% HIGH TIER
						4.65	1,552,426	26.88	51,616	\$9,388,204	100.00%	100.00%

NOTE: "HEART" = Win the corresponding prize in the PRIZE LEGEND by revealing two (2) or more "HEART" Play Sy.

Consolidated odds are 1 in:		
\$2	8.52	846,854
\$4	17.86	404,259
\$5	53.55	134,804
\$10	83.32	86,638
\$20	125.05	57,722
\$40	874.62	8,253
\$50	1,445.38	4,994
\$100	1,185.65	6,088
\$500	2,626.73	2,748
\$1,000	180,456.25	40
\$30,000	277,625.00	26
		1,552,426

* Each of the following GLEPS will be used in approximately 16.67% of each pack of 125 tickets.
 ** Numbers are rounded.

Instant Ticket Game Analysis
2/25/18-2/29/20

Average Number of Weeks for 85% Average Sell Through

Print Quantities	Price Point				Print Quantities	Price Point			
	\$1	\$2	\$3	\$5		\$10	\$20	\$30	\$50
< 5M	None	None	None	None	2M	None	None	None	None
5M-9.99M	Week 13	Week 18	Week 16	Week 19	3M	None	None	None	Week 56*
10M-14.99M	None	None	None	Week 27	4M	Week 16*	None	None	Week 61*
15M-19.99M	Week 23	None	Week 34*	Week 26*	5M	Week 26*	Week 25*	Week 40*	None
20M-24.99M	None	None	None	None	6M	Week 20	Week 25*	None	None
25M-29.99M	Week 28*	None	None	None	7M	Week 25*	Week 64*	None	None
30M-34.99M	Week 56*	None	None	None	8M	Week 23	Week 38*	None	None
>35M	None	Week 60	Week 56	Week 47*	>9M	Week 27	Week 49*	None	None

Average Weekly Dollar Sales at 85% Average Sell Through

Print Quantities	Price Point				Print Quantities	Price Point			
	\$1	\$2	\$3	\$5		\$10	\$20	\$30	\$50
< 5M	None	None	None	None	2M	None	None	None	None
5M-9.99M	\$616,770	\$761,968	\$962,270	\$1,810,073	3M	None	None	None	\$2,732,470
10M-14.99M	None	None	None	\$1,848,221	4M	\$2,364,236	None	None	\$3,177,965
15M-19.99M	\$631,464	None	\$1,225,446	\$3,225,872	5M	\$1,959,320	\$4,111,875	\$3,795,213	None
20M-24.99M	None	None	None	None	6M	\$3,291,377	\$4,223,614	None	None
25M-29.99M	\$900,100	None	None	None	7M	\$2,488,242	\$1,950,276	None	None
30M-34.99M	\$462,626	None	None	None	8M	\$3,151,041	\$4,005,888	None	None
>35M	None	\$1,085,176	\$1,761,946	\$3,641,275	>9M	\$4,077,657	\$3,200,387	None	None

None = no games at this level with 85% sell through
* only one game at this level with 85% sell through

Excludes Promotional Tickets
Unaudited - For Internal Use Only