

## NORTH CAROLINA EDUCATION LOTTERY POLICIES AND PROCEDURES MANUAL

### CHAPTER 8 – SALES

#### 8.04G – NORTH CAROLINA EDUCATION LOTTERY MEGA MILLIONS GAME RULES

##### General Rules

- A. The purpose of the Mega Millions on-line game is the generation of revenue for the Participating Lotteries, consisting of members from the Multi-State Lottery Association (“MUSL”) to which the North Carolina Education Lottery (“NCEL”) is a member, and the twelve (12) U.S. lotteries operating under an agreement to sell Mega Millions, through the operation of a specially-designed multi-state lottery game that will award prizes to ticket holders matching specified combinations of numbers randomly selected in regularly scheduled drawings. These Rules shall apply to all NCEL Mega Millions Ticket holders and claimants. These Rules incorporate the MUSL Mega Millions Product Group Rules.
- B. During each Mega Millions drawing, six (6) Mega Millions Winning Numbers will be selected from two (2) fields of numbers in the following manner: five (5) winning numbers from a field of one (1) through fifty-six (56) numbers, and one (1) winning number from a field of one (1) through forty-six (46) numbers.
- C. Definitions

**Annuity Grand Prize** – The Mega Millions top prize that would be paid in twenty-six (26) annual installments.

**Authorized Claim Center** - Any NCEL Retailer or NCEL Office, based upon the prize claim limits as established by the NCEL.

**Cash Option** – The manner in which the Mega Millions Grand/Jackpot Prize may be paid in a single payment.

**Claimant and Claim** - Any person or entity submitting a claim form and such claim form is received by a NCEL Office within the one hundred eightieth (180<sup>th</sup>) day from the Mega Millions drawing date to collect a prize for an Official Mega Millions Ticket. A Claimant may be the Purchaser, the person or entity named on a signed Official Mega Millions Ticket, the bearer of an unsigned Official Mega Millions Ticket or any other person or entity who may seek entitlement to a Mega Millions prize payment in accordance with these Rules, the North Carolina Lottery Act, NCEL policies and procedures. No Claimant may assert rights different from the rights acquired by the original Purchaser at the time of purchase. A submitted claim does not guarantee payment.

**Director(s)** - The chief officers of the Participating Lotteries, or any other persons to whom the Directors' authority is lawfully delegated.

**Drawing** – The formal process of selecting winning numbers which determine the number of winners for each prize level of the game.

**Grand/Jackpot Prize** – The top prize of the Mega Millions game.

**Mega Millions Finance Committee** – A Committee of the Mega Millions Lotteries which determines the Grand/Jackpot Prize amount.

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**Mega Millions Game Board or Boards** - The area of an Official Mega Millions Ticket, also known as a “panel,” identified by an alpha character, A through E, containing one field of five (5) single or two-digit player or computer selected numbers, and a second field of one (1) single or two-digit player or computer selected number.

**Mega Millions Lottery or Lotteries** - Those lotteries which have joined under the Mega Millions Lottery Agreement; and the group of lotteries that has reached a Cross-Selling Agreement with the MUSL Product Group for the selling of the Mega Millions Game.

**Mega Millions Play Slip** - A computer-readable form, printed and issued by the NCEL, used in purchasing an Official Mega Millions Ticket, having up to five (5) separate play areas, with each play area consisting of two (2) fields. The first field contains fifty-six (56) areas/spaces numbered one (1) through fifty-six (56); and the second field contains forty-six (46) areas/spaces numbered one (1) through forty-six (46).

**Mega Millions Winning Numbers** - Five (5) single or two-digit numbers, from one (1) through fifty-six (56) and one (1) single or two-digit number from one (1) through forty-six (46), randomly selected at each Mega Millions drawing, which shall be used to determine winning Mega Millions plays contained on Official Mega Millions Tickets.

**Megaplier** - A feature that gives players the opportunity to multiply their potential winnings by 2, 3 or 4 times the original amount (excluding the Grand/Jackpot Prize). The Megaplier number will be chosen from a field of twenty-one (21) numbers according to the following frequency: twelve (12) number 4's; seven (7) number 3's; and two (2) number 2's. For the Match 5 Second Tier Prize Category with the Megaplier feature, the prize shall be one million dollars (\$1,000,000). The Megaplier feature and/or the Match 5 Second Tier Prize Category with the Megaplier feature, may be increased for promotional purposes and for a limited time, at the discretion of the Party Lotteries.

**MUSL Product Group** – The group of lotteries that has joined together to offer Mega Millions lottery game product pursuant to the terms of its Cross-Selling Agreement with the Mega Millions Lotteries, the Multi-State Lottery Agreement and the MUSL Product Group's own rules.

**Official Mega Millions Ticket** - A game ticket, produced on official paper stock by a NCEL Retailer or NCEL Office in an authorized manner, bearing player or computer selected numbers, game name, drawing date, amount of wager and validation data.

**Pari-Mutuel** – The total amount of sales allocated to pay prize Claimants, at the designated prize level, divided among the number of winning Official Mega Millions Tickets.

**Participating Lottery or Lotteries** – A state lottery or lottery of a political subdivision or entity which is participating in selling the Mega Millions game.

**Prize Fund** – That portion of Mega Millions gross sales set aside for the payment of prizes. The Prize Fund for any drawing is expected to be fifty percent (50%) of sales, but may be higher or

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lower based upon the number of winners at each prize level, as well as the funding required to meet the advertised jackpot.

**Purchaser(s)** - Player(s) of Mega Millions who purchase tickets in accordance with these Rules, the North Carolina Lottery Act, NCEL policies and procedures.

**Quick Pick, Auto Pick or Easy Pick** - A player option in which Mega Millions number selections are determined at random by computer software.

**NCEL Retailer** - A retail location licensed, contracted and equipped by the NCEL to sell all NCEL games including Mega Millions.

**Set Prize** – All the prizes except the Grand/Jackpot Prize that are advertised to be paid by a single cash payment.

#### D. Ticket Sales

##### Multidraw Feature:

1. The maximum number of consecutive drawings encompassed by the Multidraw Purchase is twenty-six (26).
2. In the event the Mega Millions Lotteries authorize a matrix change for Mega Millions, Multidraw tickets will be honored. Prior to introducing a new matrix, the NCEL will incorporate a Multidraw step down feature that will reduce the Multidraw option from twenty-six (26) to zero (0). The Purchasers, however, will not be granted a refund for the balance of plays on their Multidraw Purchase.

#### E. Ticket Price

1. Official Mega Millions Tickets may be purchased for \$1.00, per play, or multiples thereof in the case of a Multidraw wager, at the discretion of the Purchaser. The Purchaser receives one play for each \$1.00 wagered in Mega Millions.
2. The Megaplier option may be purchased for an additional \$1.00, per play, or multiples thereof in the case of a multi-draw wager, at the discretion of the Purchaser.
3. The NCEL may authorize sale of Official Mega Millions Tickets at a discount for promotional purposes.

#### F. Play Characteristics and Restrictions

1. Official Mega Millions Tickets may not be purchased in North Carolina or any other Mega Millions Lottery state by a member of the NCEL commission, the NCEL Executive Director or any NCEL employee, or any spouse, child, brother, sister or parent residing in the same household of such disqualified person.

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2. Official Mega Millions Tickets may not be voided or canceled.
3. Purchasers may submit a manually completed Mega Millions Play Slip to a NCEL Retailer or NCEL Office to have issued an Official Mega Millions Ticket. The use of mechanical, electronic, computer generated or any other non-manual method of marking Play Slips is prohibited. Mega Millions Play Slips shall be available at no cost to the Purchaser and shall have no pecuniary or prize value, or constitute evidence of purchase or number selections.
4. Purchasers may orally convey their selections to a NCEL Retailer or NCEL Office to have issued an Official Mega Millions Ticket. Such selections shall be manually entered into the computer terminal by the NCEL Retailer or NCEL Office.
5. Purchasers may utilize the NCEL's player operated sales terminals/self service terminals, where available, for the purchase of Official Mega Millions Tickets, and may make number selections by inserting a completed Mega Millions Play Slip into the player operated sales terminal's/self service terminal's optical mark reader or selecting a Quick Pick option.
6. It shall be the sole responsibility of the Purchaser to verify the accuracy and condition of the data printed on the Official Mega Millions Ticket at the time of purchase.
7. The NCEL shall not be responsible for lost or stolen Official Mega Millions Tickets.

#### G. Time of Drawing

Mega Millions drawings shall be conducted on both Tuesday and Friday at approximately 11:00 PM (ET). However, the day, time or location of the Mega Millions drawings may be modified as determined by the Directors and publicly announced by the NCEL, and/or stated in the Mega Millions On-Line Drawing Procedures.

#### H. Mega Millions Prize Structure

1. Matrix of 5/56 and 1/46 with 50% anticipated Prize Fund.

Match Field 1	Match Field 2	Odds	Prize Category
5	1	1:175,711,536.00	Grand/Jackpot Prize
5	0	1:3,904,700.80	Second
4	1	1:689,064.85	Third
4	0	1:15,312.55	Fourth
3	1	1:13,781.30	Fifth
2	1	1:843.75	Sixth
3	0	1:306.25	Seventh
1	1	1:140.63	Eighth

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0	1	1:74.80	Ninth
Reserve			
Totals		1:39.89	

2. Grand/Jackpot Prize Payments
  - a. Prior to each drawing, the Mega Millions Finance Committee shall determine the estimated Annuitized Grand/Jackpot Prize amount to be advertised. The actual Grand/Jackpot Prize shall be determined on a pari-mutuel basis. The amount to be awarded to each Grand/Jackpot winner(s) shall be based upon the prize money allocated to the Grand/Jackpot prize pool, equally divided by the number of tickets with Mega Millions Panels matching all five (5) of the Mega Millions Winning Numbers drawn for Field 1 and the one (1) Mega Millions Winning Number (Mega Ball) drawn for Field 2. No Annuitized Grand/Jackpot Prize, as payable to the single winner of a drawing, shall be less than \$12 million.
  - b. Grand/Jackpot Prizes shall be paid, at the election of the player made no later than sixty (60) days after the player becomes entitled to the prize, with either a per winner annuity or cash payment. An election made after the winner becomes entitled to the prize is final and cannot be revoked, withdrawn or otherwise changed.
  - c. If, in any Mega Millions drawing there are no Mega Millions Panels which qualify for the Grand/Jackpot Prize category, the portion of the Prize Fund allocated to such Grand/Jackpot Prize category shall remain in the Grand/Jackpot Prize category and be added to the amount allocated for the Grand/Jackpot Prize category in the next consecutive Mega Millions drawing.
  - d. If the Annuitized Grand/Jackpot Prize divided by the number of Mega Millions Panels matching all five (5) of the five (5) Mega Millions Winning Numbers for Field 1 and the one (1) Mega Millions Winning Number (Mega Ball) for Field 2 is equal to or greater than \$1,000,000, the Grand/Jackpot Prize(s) will be paid under the Annuity Option, unless a Cash Option was offered to and accepted by the Grand/Jackpot Prize Claimant as prescribed in the North Carolina Lottery Act, rules, policies or procedures. If no declaration is made by close of business on the 60<sup>th</sup> day after the prize has been claimed, the prize shall be paid under the Annuity Option. No Grand/Jackpot Prize payment will be processed until the Claimant submits a form irrevocably selecting a payment option, or the 60-day selection period lapses, whichever shall first occur.
  - e. Annuity Option Grand/Jackpot Prize shall be paid in twenty-six (26) consecutive annual installments by the NCEL. The initial payment shall be paid upon completion of internal validation procedures and administrative processes of the NCEL. The subsequent twenty-five (25) payments shall be paid annually to coincide with the month of the Federal auction date at which the bonds were

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purchased to fund the annuity. All such payments shall be made within seven (7) days of the anniversary of the actual auction date.

- f. Cash Option Grand/Jackpot Prize shall be paid in a single payment upon completion of internal validation procedures and administrative processes of the NCEL. The Cash Option amount offered shall be determined by the MUSL Product Group. The Claimant has until the close of business on the 60<sup>th</sup> day after the date the Claimant submits a claim for payment to select the Cash Option Grand/Jackpot Prize method of payment. No payment will be processed under the Cash Option Grand/Jackpot Prize provision until the Claimant submits a form irrevocably selecting said payment option.
  - g. In the event multiple Mega Millions Panels match all five (5) of the five (5) Mega Millions Winning Numbers for Field 1 and the one (1) Mega Millions Winning Number (Mega Ball) for Field 2, and the Annuitized Mega Millions Grand/Jackpot Prize divided by the number of winning game panels is less than \$1,000,000, each Mega Millions Grand/Jackpot Prize winner shall be paid an amount equal to the Cash Equivalent Grand/Jackpot Prize divided equally by the number of Grand/Jackpot Prize winners. Each such Grand/Jackpot Prize winner will be paid in a single cash payment.
  - h. Except as may be required by these Rules, the official advertised Grand/Jackpot Prize annuity amount is subject to change based on sales forecasts and/or actual sales. Additionally, this prize amount may be rounded up to the next highest affordable multiple of one million dollars, at the discretion of the Participating Lotteries.
3. Second through Ninth Level Prizes
- a. Mega Millions Panels matching five (5) of the five (5) Mega Millions Winning Numbers drawn for Field 1, but not matching the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Second Prize of \$250,000\*.
  - b. Mega Millions Panels matching four (4) of the five (5) Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Third Prize of \$10,000\*.
  - c. Mega Millions Panels matching four (4) of the five (5) Mega Millions Winning Numbers drawn for Field 1, but not matching the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Fourth Prize of \$150\*.
  - d. Mega Millions Panels matching three (3) of the five (5) Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Fifth Prize of \$150\*.

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- e. Mega Millions Panels matching two (2) of the five (5) Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Sixth Prize of \$10.
- f. Mega Millions Panels matching three (3) of the five (5) Mega Millions Winning Numbers drawn for Field 1, but not matching the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Seventh Prize of \$7.
- g. Mega Millions Panels matching one (1) of the five (5) Mega Millions Winning Numbers drawn for Field 1 and the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive an Eighth Prize of \$3.
- h. Mega Millions Panels matching no numbers (0) of the five (5) Mega Millions Winning Numbers drawn for Field 1, but matching the Mega Millions Winning Number (Mega Ball) drawn for Field 2 shall be entitled to receive a Ninth Prize of \$2.
- i. Each Mega Millions Second through Ninth prize shall be paid in one payment.

\*Should total prize liability, exclusive of the Grand/Jackpot Prize rollover from previous drawings and California Lottery sales and prizes for Prize Levels Two (2) through Nine (9), exceed 300% of draw sales or 50% of draw sales plus \$50,000,000, whichever is less (both hereinafter referred to as the "Liability Cap"), the Second through Fifth prizes (\$250,000, \$10,000, \$150 and \$150 prize levels) shall be paid on a pari-mutuel rather than fixed prize basis, provided, however, that in no event shall the pari-mutuel prize be greater than the fixed prize. The amount to be used for the allocation of such pari-mutuel prizes shall be the Liability Cap less the amount paid for the Grand/Jackpot Prize and Prize Levels Six (6) through Nine (9) (\$10, \$7, \$3 and \$2 prize levels).

In the event the Liability Cap is met, the amount to fund the Grand/Jackpot Prize together with the amounts to fund Prize Levels Six (6) through Nine (9) shall be first paid from the Liability Cap amount. The balance of the Liability Cap, after deducting the Grand/Jackpot Prize and payment for Prize Levels Six (6) through Nine (9) (hereinafter referred to as the "Liability Cap Balance"), shall be applied to Prize Levels Two (2) through Five (5) on a pari-mutuel basis in accordance with the following formula:

Prize Level Two (2) (normally \$250,000) shall be an amount equal to 64.53% of the Liability Cap Balance divided by the number of winners in Prize Level Two (2);

Prize Level Three (3) (normally \$10,000) shall be an amount equal to 14.63% of the Liability Cap Balance divided by the number of winners in Prize Level Three (3); and

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Prize Level Four (4) and Five (5) (normally \$150) shall be an amount equal to 20.84% of the Liability Cap Balance divided by the number of combined winners in Prize Levels Four (4) and Five (5).

4. In a single drawing, a Claimant may win in only one prize category per single Mega Millions Panel in connection with Mega Millions Winning Numbers, and shall be entitled only to the highest prize.
  5. Megaplier Promotion: A qualifying play is any single Mega Millions play for which the player pays an extra dollar for the Megaplier option play and which is recorded by the NCEL's gaming system as a qualifying play. A qualifying play which wins one of seven lowest lump sum set prizes will be multiplied by the number selected, either two, three or four (2, 3 or 4), in a separate random Megaplier drawing announced in a manner approved by the MUSL Product Group. However, the Megaplier for the Match 5 Second Tier Prize Category shall be one million dollars (\$1,000,000), regardless of the Megaplier number revealed. The NCEL may change one or more of these multiplier numbers for special promotions from time to time.
  6. All prizes, except for the Grand/Jackpot Prize and the Match 5 Second Tier Prize Category, are multiplied by the Megaplier number. If the total of the original Mega Millions set prizes and the multiplied Megaplier set prizes awarded in a drawing exceeds the percentage of the prize pools allocated to the set prizes, the Second through Fifth prizes, beginning with the highest set prizes, may be paid on a Pari-Mutuel rather than fixed prize basis, provided, however, that in no event shall the Pari-Mutuel prize be greater than the fixed prize. In certain rare instances, the Mega Millions set prize amount may be less than the amount shown. In such cases, the Match 5 Second Tier Prize Category with the Megaplier feature may be reduced as announced by the MUSL Product Group and the remaining Megaplier prizes will be multiple of the changed Mega Millions prize amount announced after the draw. For example, if the Match 4+1 Mega Millions set prize amount of \$10,000 becomes \$5,000 under the rules of the Mega Millions game, then a Megaplier player winning that prize amount with a 4X multiplier would win \$20,000 (\$5,000 x 4).
  6. For purpose of prize calculation with respect to any Mega Millions Pari-Mutuel prize, the calculation shall be rounded down so that prizes shall be paid in multiples of one dollar (\$1.00).

With respect to any Mega Millions Annuitized Grand/Jackpot Prize, the prize amount shall be rounded to the next highest affordable multiple of one million dollars, based upon market rates at the time of the annuity purchase.
  7. The number of prize categories and the allocation of the Prize Fund among the prize categories may be changed at the discretion of the Directors, for promotional purposes. Such change shall be announced by public notice.
- I. Ticket Validation Requirements

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1. To be a valid ticket and eligible to receive a prize, a ticket shall satisfy all the requirements established by the NCEL for validation of winning tickets sold through the NCEL's on-line gaming system and any other validation requirements adopted by the MUSL Product Group, the MUSL Board and published as the Confidential MUSL Minimum Game Security Standards. MUSL and the Participating Lotteries shall not be responsible for tickets which are altered in any manner.
2. Under no circumstances will a claim be paid for any Mega Millions prizes without an Official Mega Millions ticket matching all game play, serial number and other validation data residing in the NCEL's gaming system computer and such ticket shall be the only valid proof of the wager placed and the only valid receipt for claiming or redeeming such prize. A terminal produced paper receipt has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected.
3. In addition to the above, in order to be deemed a valid, winning Official Mega Millions Ticket, all of the following conditions must be met:
  - a. The validation data must be present in its entirety and must correspond, using the computer validation file, to the number selections printed on the ticket for the drawing date(s) printed on the ticket;
  - b. The ticket must be intact;
  - c. The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner;
  - d. The ticket must not be counterfeit or an exact duplicate of another winning ticket;
  - e. The ticket must have been issued by an authorized NCEL Retailer or Office on the NCEL's official paper stock;
  - f. The ticket must not have been stolen, to the knowledge of the NCEL;
  - g. The ticket must be submitted for payment in accordance with Section J below;
  - h. The ticket data must have been recorded on the central computer system prior to the drawing and the ticket data must match this computer record in every respect. In the event of a contradiction between information as printed on the ticket and as accepted by the NCEL gaming system, the wager accepted by the NCEL gaming system shall be the valid wager;
  - i. The player or computer number selections, security code/validation data and the drawing date(s) of an apparent winning ticket must appear on the official file of winning tickets, and a ticket with that exact data must not have been previously paid;

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- j. The ticket must not be mis-registered, deceptively printed or printed or produced in error to an extent that it cannot be processed by the NCEL;
  - k. The ticket must pass validation tests using a minimum of three (3) of the five (5) validation methods as defined in the Mega Millions Finance and Operations Procedures, Section 15. In addition, the ticket must pass all other confidential security checks of the NCEL;
  - l. In submitting an Official Mega Millions Ticket for validation, the Claimant agrees to abide by all applicable laws, rules and regulations, instructions, conditions and final decisions of the NCEL;
  - m. There must not be any other breach of these Mega Millions Game Rules in relation to the ticket which, in the opinion of the NCEL Director, justifies invalidation; and
  - n. The ticket must be submitted to the jurisdiction where such ticket was purchased.
2. An Official Mega Millions Ticket submitted for validation which fails any of the preceding validation conditions shall be considered void, subject to the following determinations:
- a. In all cases of doubt, the determination of the NCEL Director shall be final and binding; however, the NCEL Director may, at his/her option, replace an invalid ticket with an Official Mega Millions Ticket of equivalent sales price;
  - b. In the event a defective ticket is purchased or in the event the NCEL Director determines to adjust an error, the Claimant's sole and exclusive remedy shall be the replacement of such defective or erroneous ticket(s) with an Official Mega Millions Ticket of equivalent sales price; or
  - c. In the event an Official Mega Millions Ticket is not paid by the NCEL and a dispute occurs as to whether the ticket is a winning ticket, the NCEL may, at its option, replace the ticket as provided in paragraph (a) of this subsection. This shall be the sole and exclusive remedy of the Claimant.
- J. Procedure for Claiming and Payment of Prizes
- 1. Prizes shall be redeemed or claimed only in the jurisdiction where the Official Mega Millions Ticket was purchased, effective upon determination of prize payouts, for a period of 180 days from the drawing date. Any prizes less than \$600 from a NCEL Mega Millions ticket may be claimed at any one of the NCEL Retailers, NCEL Offices or via mail addressed to the North Carolina Education Lottery at P.O. Box 41606 Raleigh, NC 27629-1606. Any prizes \$600 to \$99,999 from NCEL Mega Millions ticket must be submitted to the NCEL's Headquarters, a Regional Office or via mail addressed to the North Carolina Education Lottery at P.O. Box 41606 Raleigh, NC 27629-1606, by the end

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of the business day (local standard time), as posted by the NCEL, on the 180<sup>th</sup> day from the drawing date. Any prizes \$100,000 or greater from NCEL Mega Millions ticket must be submitted in person at the NCEL's Headquarters by the end of the business day (local standard time), as posted by the NCEL, on the 180<sup>th</sup> day from the drawing date. If the 180<sup>th</sup> calendar day falls on a day in which the NCEL is not open for business, the ticket must be claimed by the end of the NCEL's next business day.

2. Claimants of a winning Official Mega Millions Ticket must comply with the prize claim requirements of the NCEL, including signing the back of the original ticket.
3. In the event that a single Official Mega Millions Ticket contains two (2) or more winning game panels, the cumulative prize amount shall be claimed or redeemed in accordance with the specified prize payment limits as established by the NCEL.
4. Federal, State and Local (if applicable) withholding taxes, state debt setoff amount, where applicable, shall be withheld from Mega Millions prizes by the NCEL in such amounts as may be required by law.
5. Mega Millions prizes shall not be paid to any person prohibited from playing Mega Millions in a particular Participating Lottery, by these Rules or by the governing law or rules of that participating lottery state or any contract executed by that Participating Lottery.
6. There shall be no assignment of Mega Millions prizes.
7. The name, community of a winner and amount won may be disclosed in a press conference or in a press release and the winner may be required to participate in a press conference.

#### K. Unclaimed Prize Money

For winning Official Mega Millions Tickets for which no claim or redemption is made within the specified claim period as set forth in these Rules, the corresponding prize monies shall be returned to the NCEL in accordance with procedures for the reconciliation of prize liability as stated in the Finance and Operations Procedures for Mega Millions.

- L. **Governing Law:** In purchasing a NCEL Mega Millions ticket, the Purchaser agrees to comply with and be bound by the North Carolina Lottery Act, NCEL rules, policies and procedures, and by directives and determinations of the NCEL Director. Additionally, the Purchaser agrees to be bound to all applicable provisions of the Mega Millions Finance and Operations Procedures. The Purchaser agrees that, as its sole and exclusive remedy, claims arising out of any NCEL Mega Millions ticket can be pursued only against the NCEL. Litigation, if any, shall only be maintained within the state in which the Official Mega Millions Ticket was purchased and only against the Participating Lottery that issued the ticket. Nothing in these Rules shall be construed as a waiver of any defense or claim the NCEL may have in the event the Purchaser pursues litigation against the NCEL, its Commissioners, officers or employees.

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**M. All decisions made by the Directors of the Participating Lotteries, including the declaration of prizes and the payment thereof and the interpretation of Mega Millions Rules, shall be final and binding on all Purchasers and on every person making a claim in respect thereof.**