

Lottery Description:

Chase the Ace (CTA) style lottery schemes are Same Day Ticket Sales whereby there is an opportunity to win a percentage of the jackpot, by way of a ticket draw, as well as an opportunity to win a chance to select a card in search of a specific jackpot card named in the house rules. This game is called Chase the Ace (Ace of Spades). Licenses are typically issued for 52 weeks in duration and there is a maximum of 52 draws AND a maximum of 52 cards permitted for use on any one license. An organization is to notify the Consumer and Financial Services Division as soon as reasonably possible once a Chase the Ace style jackpot has been awarded as this will cause the expiration of the lottery license. No other ticket lotteries are permitted to be played at any venue whereby a Chase the Ace style lottery is underway unless approved by the Provincial Regulatory Authority.

In a typical Chase the Ace Style lottery, tickets are sold over a two to three hour period with a ticket draw held at the end of the specified time period later that day. This usually involves the selling of tickets and the holder of the ticket is required to be in attendance to claim their prize.

The winning ticket receives a percentage of the ticket sales; usually 20% while 30% is reserved for a building jackpot and the remaining 50% is retained by the organization. An organization can also do a 25% of ticket sales, 25% reserved for the jackpot and 50% to be retained by the organization. These percentages can vary as determined by the organization and approved by the Consumer and Financial Services Division (lottery licensing), but must be identified to ticket purchasers prior to the sale of tickets. Once this percentage has been determined, no changes to this percentage can be made for the duration of the licence. Additionally, the winning ticket holder is granted the opportunity to select a card and, if they select the ace of spades, they further win the building jackpot.

If the jackpot card is not chosen, the card selected is removed from the deck, logged and defaced in the presence of the public and the remaining cards in the deck are then resealed and secured until the next draw night.

Tickets – In NL Stub tickets are uniquely customized commercially printed tickets and are the only tickets permitted. Purchaser is required to be present for this draw to win the prize.

For ticket lotteries where tickets are sold and the draw is conducted on the same day at a single premise and the potential prize payout exceeds \$500, the following information is required:

1. **Each ticket shall consist of 2 sections, each severable from the other, and the section to be delivered to the purchaser shall contain the following:**
 - (a) the name of licensee;
 - (b) the ticket number;
 - (c) the selling price of the ticket;
 - (d) the licence number; and
 - (e) the name of the printer,
2. **The section to be retained by the licensee shall contain the following:**
 - (a) the ticket number

Applicant:

Applicants must meet the criteria under Ticket Lottery Regulations to qualify for a Lottery licence; they must be a charitable or religious organization. The licensee must provide a set of completed House Rules for the lottery with their application. The House Rules template will be provided to you by Consumer and Financial Services Division (lottery licensing). Approved House Rules must be posted at all ticket selling locations.

Control Procedures:

To ensure the integrity of the lottery scheme, adequate controls will help your organization achieve lottery success and maintain credibility throughout the life cycle of your lottery scheme. That said, lottery schemes, particularly large scale lottery schemes, often reach a point of saturation. As such, you should have an exit plan drafted highlighting the details of your plan should this situation arise. Part of this plan can include an option to force draw the jackpot prize resulting in the termination of the lottery scheme. All aspects of your exit plan must be submitted to Consumer and Financial Services Division (lottery licensing).

This option, once approved by Consumer and Financial Services Division (lottery licensing), can be exercised at any time the licensee determines it's no longer feasible to continue with the draw.

If the organization holds their "Chase the Ace" event weekly and unforeseen circumstances arise for a particular week that the event can't go ahead and alternate day and or alternate location must be identified. Event can't be postponed without the Consumer and Financial Services Division (lottery licensing) approval.

In addition to the above mentioned, other control procedures that may be required by Consumer and Financial Services Division (lottery licensing) include and should be considered:

1. The procurement of commercially printed tickets consisting of a unique identifier on each ticket.
2. Keep a record log for all draws denoting the sequence numbers and other characteristics for all tickets in play. **Organizations must use Chase the Ace Tracker Form 317.**
3. The person drawing the ticket or involved in the setup of any cards for that current draw must not hold a ticket for that draw. **The organization (and key personnel) cannot be a ticket holder. All volunteer/employee staff shall sign an attendance form before the event starts. This form should be available at all times for audit purposes.**
4. Large scale lottery schemes often generate large amounts of cash. Cash management is an important element of a successful lottery scheme and aims to maximize both public safety and the safety of those directly involved with the lottery scheme. Furthermore, consideration should be given to having a security/police presence at larger lottery schemes to further mitigate risks inherent to such large scale lottery scheme and to maximize overall safety. Winning ticket holder should be awarded a prize payout in the form of a cheque, it is not recommended to pay by cash.

5. Ticket sales are Same Day Sales ONLY.
6. Consideration should be given to safe storage and transportation of all monies collected.

Draw Process:

In an attempt to maximize the integrity of Chase the Ace Style lottery draws, the Consumer and Financial Services Division (lottery licensing) advises the following to be done during any such draw:

1. Video tape the ticket draw and selection of the card; this can be done on a mobile phone or other electronic means and should be retained for duration of six years from date of draw for Audit purposes.
2. Immediately prior to the draw, an announcement is to be made identifying the ticket sales for the day, the consolation prize, the amount added to the jackpot and the new jackpot total.
3. Winning ticket holder is guaranteed a certain percentage of the nightly sales regardless of what card is chosen. **Example of prize structure: 20%/30%/50% or 25%/25%/50% or 30%/20%/50%.**
4. The jackpot card **must** be shown to be in the deck prior to the card placement and again after the card selection if not chosen.
5. Show empty hands prior to drawing the ticket, before and after handling cards.
6. Roll up sleeves or wear short sleeves when handling cards.
7. Minimize the handling of cards or other approved draw items.
8. In the event that cards are used, **CARDS MUST NOT BE CUT**. Cards are to be spread out on the table and mixed sufficiently. When it's time for card selection by the ticket winner, the winner points with ONE finger to the selected card. The coordinator from the organization will then remove all surrounding cards while the ticket winner holds keeps pointing their finger to the card. The coordinator must ensure that only one card remains. If in a rare occasion when there is more than one card, the coordinator will have the ticket winner select one of the remaining cards and the unselected card(s) will be removed prior to revealing the selected card. Once all surrounding cards have been removed, the selected card will be turned over by the coordinator. Please note: when using cards, the table must be large enough to ensure that all cards can be spread out in a manner whereby ALL CARDS are visible and available to be selected.
9. In the event that the correct predetermined jackpot card is not drawn, the incorrect card will be defaced immediately. A log must be maintained that records the defacing of all cards. This must include the draw date, complete card details and who defaced it.
10. Once the Ace of Spades is revealed the game and the Licence is concluded. The licence number cannot be used for a second event. A new application, new sample ticket and

completed financial report must be submitted before another Chase the Ace event can be licensed.

Jackpots over \$50,000.00:

If the Chase the Ace (CTA) style Lottery jackpot reaches \$50,000.00, Consumer and Financial Services Division (lottery licensing) requires all organizations to do the following, including the submission of a Lottery Operational Plan or an Exit Plan.

1. Contact Consumer and Financial Services Division (lottery licensing). All Chase the Ace style lotteries with Jackpots over \$50k or more must be immediately reported to Consumer and Financial Services Division (lottery licensing) for proper tracking and coaching.
2. Create and submit a **Lottery Operational Plan** inclusive of the following items:
 - (a) **Site Security Plan** – Buildings with large crowds often present public safety risks and concerns. Having a security plan with security personnel will assist you in mitigating these risks and adhering to respective fire regulations, codes, occupancy loads and perhaps even the need for medical services, etc. Please advise how you are going to ensure the safety of those involved in your CTA Lottery.
 - (b) **Traffic & Parking Management** – With an increased volume of traffic travelling to your venue(s), please advise how you are going to ensure that public safety is maximized for those travelling to your lottery and how you are minimizing incidences once they arrive.
 - (c) **Security/Policing Services** – Given the nature of CTA lotteries, as they grow, there are inherent increased risks. Having a security/police presence largely reduces many of these safety risks. Please advise of any security/police presence and their function with your CTA lottery.
 - (d) **Cash Management** – CTA lotteries generate large amounts of cash and, as such, may need to consider such solutions such as armed car service, determine temporary holdings and storage locations for cash, etc. Please advise how your organization is going to manage such a volume of cash and payment of prizes. Safe storage and transportation of all monies.
 - (e) **Request for Additional Selling Locations** – As CTA lotteries grow, there is often a requirement for additional capacity. Given venues are often pre-booked well in advance, please advise how your organization is addressing overall capacity and acquiring additional selling locations and seek approval from Consumer and Financial Services Division (lottery licensing). Event draws must be held at a public location.
 - (f) **Ticket and Draw Details** – Now that your CTA lottery has grown, the following items should be addressed; increase capacity of the draw drum, transporting of tickets from additional selling locations, increased time to determine a ticket winner and time for transporting of the winner to the draw venue, etc. Please advise how your organization is managing this change.

- (g) **Communication Strategy** – Communication is a key success factor in any lottery scheme. With multiple selling locations, communications between venues with the main draw location is essential. Please advise how your organizations is going to ensure maximum communication between venues, with ticket purchasers, etc.
- (h) **Exit/Saturation Plan** - Often when lotteries grow significantly, they may reach a point of saturation whereby there no longer exists the capacity to continue with the draw as planned. An organization may develop to determine upon approval by Consumer and Financial Services Division (lottery licencing) an exit plan to force a draw at any given time and ultimately terminate the lottery. Please advise of your organization's exit plan should this situation occur.
- (i) **Revised House Rules** – Now that your CTA lottery has exceeded \$50K, some of the requirements have changed and may require you to submit an updated set of house rules. Please liaise with your licensing officer to have this completed and submitted for review and approval.
- (j) **Other Details** – In an attempt to ensure the success of your CTA lottery, the Consumer and Financial Services Division (lottery licencing), at its discretion, can request additional details to ensure completeness of your individualized Lottery Operational Plan.