



WISCONSIN LOTTERY

BILLING TERMS CHANGES EFFECTIVE JANUARY 6, 2008

Two-Part Program

1. Billing terms extended from present "7-Day" terms to "30-Day" billing terms for all for-profit instant retail deliveries (including standard pull-tabs) after January 6, 2008.
2. Elimination of GLEPs Pricing for Instant Scratch, Validation-Coded Pull-tabs and Combo "Double-Play" tickets launched after January 6, 2008.

Instant Tickets Only

- "30-Day"* Instant ticket terms begin for all for-profit retail instant ticket deliveries made after January 6, 2008.
 - "Pre-terms" Instant Ticket deliveries made the week of 12/31/07-1/5/08 will have the regular EFT due date the following Friday, on 1/11/08.
 - *Instant EFT payments will be due the fourth Friday following delivery date.
- Terms extended for instant tickets sold to for-profit retailers only.

Weekly Billing

- The Weekly Billing Cycle will not change. It is still a Sunday-Saturday billing period followed by a Friday EFT sweep.
- The Weekly Billing Invoice will continue to be available to retailers on the Terminal every Sunday am.
- The Weekly Billing Invoice will continue to show the TOTAL EFT payment amount and the EFT payment date that will be swept the following Friday.

No Change to Lotto EFT

- Payment for Lotto games will NOT change.

"Retail Value Less Commission" Instant Pack Pricing

- Games numbered 800 and above will NOT have GLEPS pack pricing. Price of packs = retail value-commission (6.25%)
- Games 799 and below will continue to have GLEPS pack pricing as long as they are available. Price of packs = retail value-commission (6.25%)-Guaranteed Low-End Prizes.
- Standard Pulltabs (non-validation coded pulltabs) will continue to have GLEPs-discounted pricing because they are not validated on the system.

Examples, Key Points, Dates, Report Changes

Instant EFT Sweep Is 3 Weeks Later

NEW:

All for-profit instant ticket deliveries made after Jan. 6, 2008 will be due for EFT payment on the fourth Friday following the "delivery week". Actual EFT due date is 27 days after each Saturday "delivery week" end-date.

OLD:

EFT payment for scratch ticket deliveries was due the first Friday, or 6 days following the Saturday “delivery week” end-date.

3-weeks of Lotto-Only EFT Payments

Key Dates

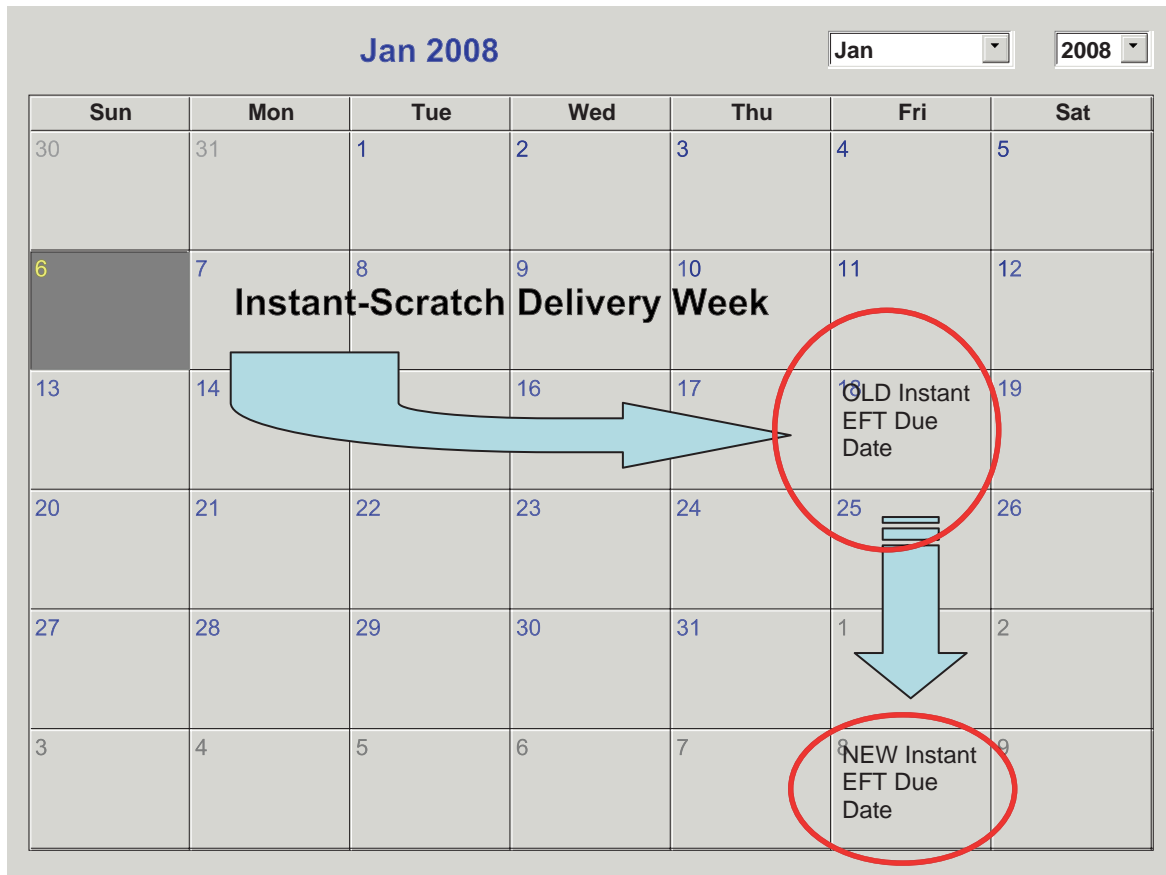
.1/11/08: Last EFT payment for BOTH Lotto and “pre-terms” instant deliveries for the week of 12/31/07-1/5/08.

.Three EFT Payments will be for_Lotto * only:

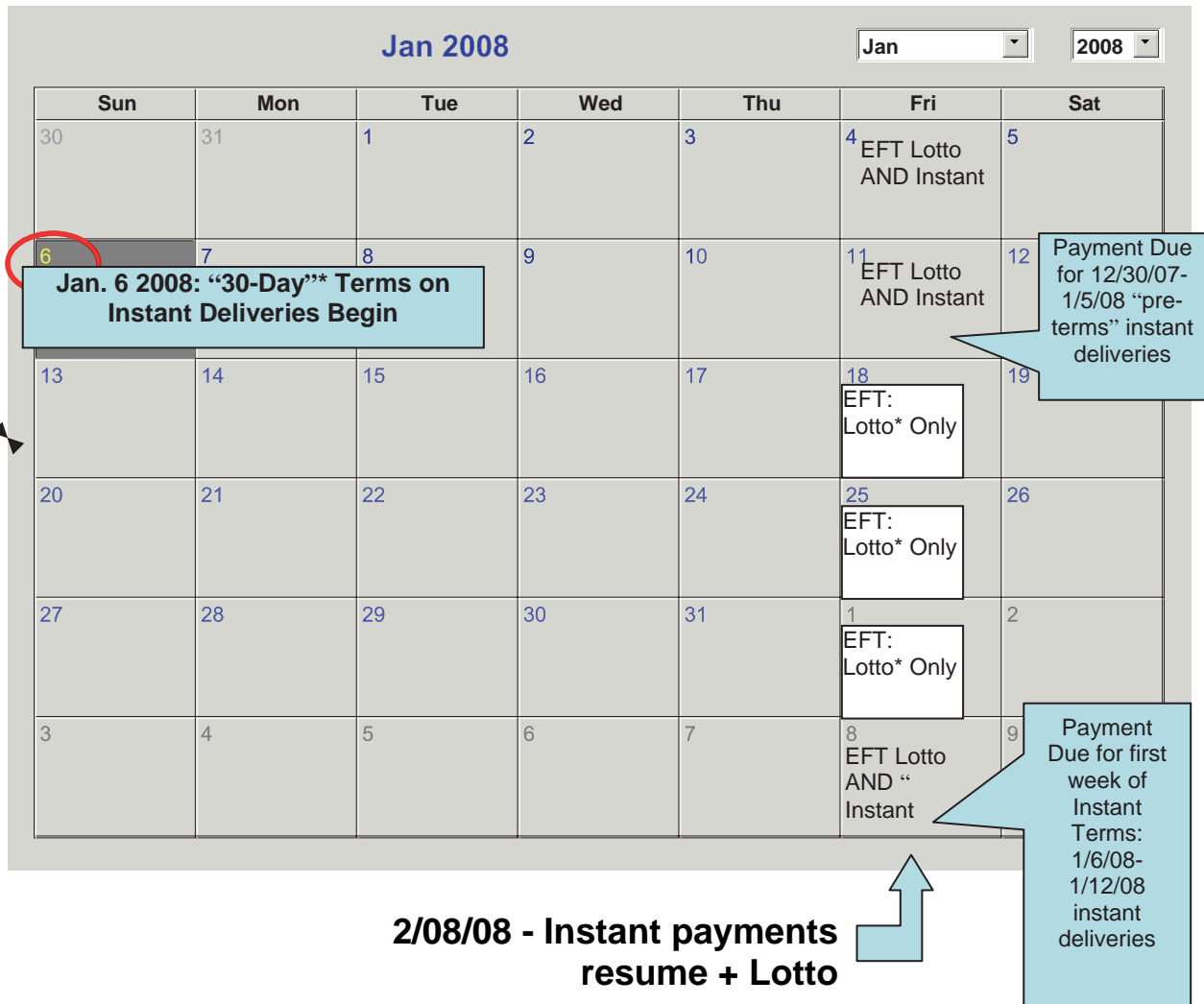
- 1/18/08
- 1/25/08
- 2/1/08

.Please note: *While instant ticket deliveries are not billed during these three weeks, returns, cashes, charge-backs and other adjustments will continue as usual.

.2/8/08: Weekly EFT payment for instant ticket deliveries resume.



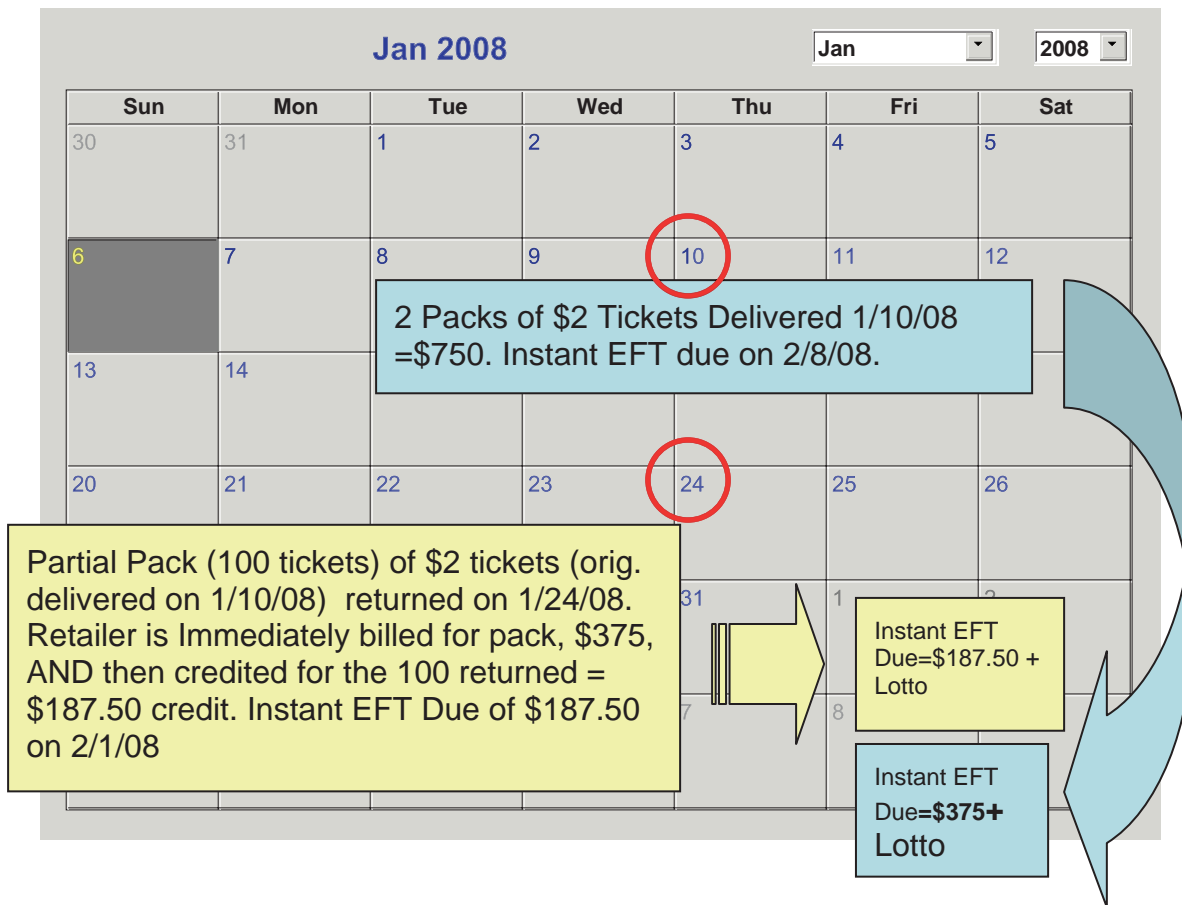
Calendar Example:



Payment due for instant deliveries that occurred the first week of terms, 1/6/08-1/12/08, AND for prior-week Lotto sales.

Returns

- Returned instant packs will force-settle immediately upon receipt by the Lottery.
- Related charges and credits will appear on that week's Weekly Billing Invoice, avail. Sunday am.
- Payment due for sold tickets will be included in the following Friday's EFT payment instead of the later "terms" due date.
- Retailers will pay only for sold tickets in that returned pack, due the Friday following the week of the return.



Cashes

- Credits for cashes, returns, and debits for GLEPs charge-backs will continue to post to retailer's accounts the week in which the transactions occur.

Credits Increase

- The number of credits for cashes will increase because in addition to high-tier cashes for all scratch games, retailers will now receive credits for all low-tier cashes for non-GLEPs discounted games 800 and above.
- Retailers **MUST** validate ALL winning scratch tickets from games 800 and above on the terminal to receive credit.

GLEPs Charge-backs eliminated

- GLEPs pricing will be eliminated for games 800 and above. Therefore, "Charge-backs" for winning tickets that are cross-redeemed for those games will also be eliminated, with the exception of multi-cashed tickets.
- Charge-backs of the original cashing retailer will continue in the event of multi-cashes.
- The number of charge-backs for games 799 and lower will gradually lessen as the older GLEPs games end and the 180-day player redemption window closes.
- During this time both game #'s 800 & above and games #'s 799 and below will show as cashes on the Weekly Billing Invoice, but only those 799 and below will create charge-backs.