



Publisher
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April 22, 2002

Texas Lottery Commission
Kim Kiplin
P. O. Box 16630
Austin, Texas 78761-6630

RE: Cash 5 Proposed Rule Changes - Comments & Objections

Dear Kim:

After reading the Preamble and the ONE press release issued regarding changes to the Cash 5 rule, my comments for each issue listed is as follows:

1. **Changing the matrix from 39 balls to 37 balls** - I see an advantage to oppose this and at the same time, I see an advantage to adopt this rule change. Since the objective is to create more winners, this would certainly help. However, most of your Cash 5 players have statistics and changing the matrix would be detrimental to their records. The reduction of balls is not sufficient enough to significantly increase the number of winners, so, bottom line, I don't care about this issue. I will play the game no matter how many balls there are.

2. **Increasing the number of draws per week from 4 draws to 6 draws** - I oppose this rule change - If I cannot play the numbers I select every draw, then I will not play the game at all. I've been a loyal Cash 5 player, but I can not and will not play 6 nights per week. That's entirely too much - and it seems as though I'm not the only player in Texas who feels this way as is evidenced by the poll that I've taken. Normal people don't play golf everyday, nor do they bowl, play cards, go to the horse races or the casino's every day either - if they did, they'd end up quitting because they get tired of it. It is my opinion that if this issue is adopted, then the TLC is guilty of purposely tempting those who should NOT be playing every day into playing every day. Much like offering an alcoholic a drink. The TLC knows that the majority of the funds that are spent on the games of Texas comes from the same people every day which is precisely why the pots shrunk - people still played but just spent less per draw to cover the increase to 4 draws when that change was made.

3. **Offering a \$2 prize for matching 2 numbers** - I oppose this rule change with all my might. The TLC has played this rule change up as great - better odds and more winners. That's sounds just wonderful and will certainly give the TLC an advertising plug. I can see the headline now ... "Play Cash 5 - A Winnable Game - Over 54,000 Winners Per Night!" The truth is, people won't be winning at all because they spend more than \$2 per drawing. Offering this prize is nothing more than a way to get that \$2 back and it will increase the "Unclaimed Prize Fund." Is this your motive?

Further, the TLC has neglected to mention that in exchange for the \$2 prize, that the 3 of 5 and 4 of 5 prizes will be reduced significantly. I can assure you, I do not play Cash5 to win \$2, \$10 or \$137 as the prizes would be under the new prize structure - and again, I am not the only one who feels this way - in fact, it seems as though every other player feels this way too as is evidenced by the poll I've taken. If this rule is adopted, I will quit playing Cash 5 and so will many others.

Linda Cloud says it herself, "Sales are jackpot driven." So the TLC is proposing to lower the prizes one wins when they play Cash 5? Players don't have to win \$50 million

to be happy that they won - they'd be happy winning \$1 million. By the same token, they aren't happy winning a measly \$2 or \$10 or \$137 either.

These are the major changes the TLC is attempting to make on the Cash 5 game and these are my feelings on the separate issues regarding the proposed rule changes.

The Staff's Presentation of the Proposed Cash5 Rule Change

I am deeply concerned by the facts presented to the Commissioners about this rule change during the Commissioners meeting. After reading the transcript, I read where they were certainly told how the TLC was going to create better odds for the players and by offering a new \$2 prize for matching 2 numbers, it would create 54,000 winners per draw compared to only 5000 to 6000 winners now. At no time were the Commissioners ever told nor did the Commissioners even wonder where the money was going to come from to pay those winners.

Why was the "new prize structure" never discussed or explained to the Commissioners? Doesn't anyone up there understand the differences between winning \$137 vs \$500 to \$600 for matching 4 of 5 numbers? I can only assume that either the Commissioners were told this little fact behind closed doors and this issue was "purposely" not discussed during the meeting or it never even dawned on the Commissioners what the other prizes would be if this new prize were offered and/or the Commissioners have no idea there is a structure change. As far as I am concerned, the staff has either deceived the players and/or the Commissioners or perhaps, both by leaving this issue out of the preamble, press release and presentation of the rule changes.

During the Commissioners meeting, Commissioner Whitaker asked what players would object to if this rule were adopted. She was told that players "may" object to playing 6 days per week. Does the staff really believe that players wouldn't object to lower prizes when they were accustomed to larger prizes? Do ya'll really believe that people are happy when they win \$2?

Regarding matching 2 numbers, when playing poker, players generally fold if all they have is a pair - a pair is generally not a winning hand. Cash 5 players feel the same way.

The TLC's Failure to Use Available Resources to Inform, Educate and Obtain Comments From Players

Commissioner Clowe has stated on numerous occasions that he likes to hear what the players have to say. It's apparent that the TLC does NOT have the same attitude. If they did, why does the TLC only post proposed rule changes in the *Texas Register* - I know, because that's where the law says you have to post them. Question. Does the law say that you can't use your web site to "really" educate the players and to keep players abreast of changes like this? Does the law say that you can't utilize G-Tech reps to place "player" surveys in the retail locations to "try" to obtain comments and educate the people? Do you honestly believe that the general public who goes to your legal page and stumbles upon the proposed rule can even understand what's being changed? There are no explanations regarding what those "codes" mean - how is the lay person suppose to know what's new and what's not?

Also, on the 10th of this month, the TLC sent out a 4 question survey to those who signed up for the PlayerConnect program for research. Now get this picture, we are in the middle of a proposed rule change for Cash5, and the TLC uses it's resources to ask players:

1. Which Texas Lottery games do you play?
2. How much do you spend on each game per week?
3. How many days per week do you play each game?
4. At what jackpot level do you begin to play Lotto Texas?

Gee, I thought the TLC had the most sophisticated computer system in the world. Doesn't the TLC have the resources to see how much each transaction is worth? Can't the TLC monitor sales increases to determine these answers? Why didn't TLC use these people to ask about the \$2 prize and the 6 draws per week. Is it because the TLC knows players will oppose the changes? As I understand it, the TLC conducted two focus study groups to discuss these changes. 10 people in Houston and 10 people in San Antonio. I can't help but wonder, was the presentation the same as the Commissioners presentation? If so, it must have sounded really great but the facts were incomplete so any input should be incomplete as well. If the TLC found 20 people who approved this proposed changed, well, there is something seriously wrong because I put the facts before the players and the response from hundreds, maybe even thousands, isn't at all the same as what the TLC got from it's 20 people. How can that be?

Comments from the Players - On March 28, 2002 at 4:30 AM, I posted a survey on my web site pertaining to the Cash5, Pick3 and Lotto Texas changes. I also posted the transcript of the Commissioners meeting and the proposed rule itself - but what I posted, readers could tell what language was new and what language was being deleted from the rule. At 6 a.m., I checked into the hospital to have major surgery. Four days later I came home and found that I had received over 2000 emails and page after page of comments on my server. The response was and has continued to be outstanding. The unfortunate part of all of this is that because of my health, I haven't been able to tally the response in detail and print them all out. I have, however, glanced through all of it and am enclosing with this letter a sampling of what I possess. The comments enclosed have come to me by way of US mail, email, fax and from the survey I have posted on my web site. I would also like to say that the Commission would get the same response if it wanted to - but it appears the TLC has no desire to obtain this kind of data and please Texans.

If this rule is adopted, I can assure you sales will decline and when a company loses customers, its very difficult to get their business back. Also, I don't know of any business who goes against the wishes of their customers and remains profitable. Casino's profit because they get new customers **every three days** unlike lotteries who depend on the same players every day.

I sincerely hope that the TLC and the Commissioners re-consider these changes. Players have suggested repeatedly that the Commission have 2 Lotto draws per week, 2 Cash 5 draws per week and 2 Two Step draws per week. This would reduce the competition for the same dollar. As far as the Cash 5 is concerned, if there were only two draws per week, the pots would increase because the players would be spending more per draw than they do now. Remember, "sales are jackpot driven." What would it hurt to try this - after all, it appears to me that **everything** the TLC has **tried to do to increase sales has failed**. And I predict, the Pick3 will take a big dump come May 15th. People will only lose for so long before they quit playing altogether.

Thank you for considering my comments and those of my fellow players.

Sincerely,

Dawn Nettles

Enclosures: Pages from my web site for additional comment
Comments that I obtained by spreading the word via my web site for the TLC