

**NOTICES OF PROPOSED RULEMAKING  
Initiated After January 1, 1995**

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first filing a Notice of Proposed Rulemaking, containing the preamble and the full text of the rules, with the Secretary of State's Office. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register*.

Under the Administrative Procedure Act (A.R.S. § 41-1001 *et seq.*), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for adoption, amendment, or repeal of any rule. A.R.S. §§ 41-1013 and 41-1022.

**TITLE 7. EDUCATION**

**CHAPTER 2. STATE BOARD OF EDUCATION**

**PREAMBLE**

1. **Sections Affected**  
R7-2-302
- Rulemaking Action**  
Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. § 15-203(A) and (B)  
Implementing statute: A.R.S. § 15-203(A)(16)
3. **The name and address of agency personnel with whom persons may communicate regarding the rule:**  
Name: Corinne L. Velasquez, Administrator  
Address: 1535 West Jefferson, Room 418  
Phoenix, Arizona 85007  
Telephone: (602) 542-5057  
Fax: (602) 542-3046
4. **An explanation of the rule, including the agency's reasons for initiating the rule:**  
This rule establishes the minimum course of study and competency requirements for graduation from high school. The existing rule states that a student shall demonstrate competency by attaining a score representing a level of proficiency determined by the State Board by rule no later than April 1, 1995. The Board is proposing to amend the April 1, 1995, date to April 1, 1996. This amendment will allow the Board to be in compliance with its own rule while further study of the Arizona Student Assessment Program is conducted.
5. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  
Not applicable.
6. **The preliminary summary of the economic, small business, and consumer impact:**  
In 1994, the State Board of Education adopted R7-2-302 which established that, beginning with the ninth grade class of 1996, graduation from high school would be based on successful demonstration of competency rather than the traditional method of earning credits. The State Board, in R7-2-302, committed to determining a level of proficiency by rule no later than April 1, 1995.

It is believed that the amendment of the April 1, 1995, date to April 1, 1996, will have no direct effect on any individual or group, that there will be no costs associated with the change, and that the amendment will have no impact on small business. The change in the date will allow the Board to remain in compliance with its own administrative rules while further study of the Arizona Student Assessment Program is conducted. As amended, the April 1, 1996, date will still allow the Board to determine a proficiency level prior to the ninth grade class of 1996 entering school and will still be well before the ninth grade class of 1996 will graduate from high school (in the year 2000).

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7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Corinne L. Velasquez  
Address: 1535 West Jefferson, Room 418  
Phoenix, Arizona 85007  
Telephone: (602) 542-5057  
Fax: (602) 542-3046

8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule; or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: June 26, 1995  
Time: 1 p.m.  
Location: Arizona Department of Education  
1535 West Jefferson, Room 417  
Phoenix, Arizona 85007  
Nature: Oral proceeding

Written comments may be submitted on or before 5 p.m. on June 12, 1995, to the agency personnel listed in question 7.

9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None.

10. Incorporations by reference and their location in the rules:

None.

11. The full text of the rules follows:

TITLE 7. EDUCATION  
CHAPTER 2. STATE BOARD OF EDUCATION

ARTICLE 3. CURRICULUM REQUIREMENTS AND SPECIAL PROGRAMS

Section  
R7-2-302. Minimum Course of Study and Competency Requirements for Graduation from High School

ARTICLE 3. CURRICULUM REQUIREMENTS AND SPECIAL PROGRAMS

R9-9-243. Minimum Course of Study and Competency Requirements for Graduation from High School

A. Beginning with the ninth grade class of 1996, graduation from high school shall be based on successful demonstration of competencies as set forth in the following editions and pages as designated, of the State Board adopted essential skills, incorporated herein by reference and on file with the Secretary of State, for the core subjects areas of:

1. Reading, February 1989, pp. 16-17, 42-44;
2. Writing, February 1989, pp. 6-8, 30-32;
3. Mathematics, September 1992, pp. 67-96;
4. Science, July 1990, pp. 31-41; and
3. Social Studies, July 1989, pp. 35-49.

B. A student shall demonstrate competency in reading, writing, and mathematics by attaining a score

representing a level of proficiency, determined by the State Board by rule no later than April 1, 1995~~6~~, and annually thereafter, on the essential skills tests that measure pupil achievement (Arizona Student Assessment Program [ASAP] Form A assessments), adopted by the State Board on January 25, 1993, incorporated herein by reference and on file with the Secretary of State, as measured by the essential skills (ASAP) generic rubric for those core subject areas. A student shall demonstrate competency in science and social studies by attaining a score representing a level of proficiency, determined by the State Board, on the essential skills test that measure pupil achievement (Arizona Student Assessment Program [ASAP] Form A assessments), as measured by the essential skills (ASAP) generic rubric for those core subject areas when those assessments are developed and approved by the State Board. Other assessment processes which are equivalent to the essential skills (ASAP) generic rubric may be submitted by a local governing board for approval by the State Board.

- B.C. No change.
- C.D. No change.
- D.E. No change.
- E.F. No change.
- F.G. No change.

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**Notices of Proposed Rulemaking**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;  
SECURITIES REGULATION**

**CHAPTER 4. CORPORATION COMMISSION  
SECURITIES**

**PREAMBLE**

1. **Sections Affected** **Rulemaking Action**  
R14-4-140 New Section
  
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. §§ 44-1821(A) and 44-1845(B)(1)  
Implementing statute: A.R.S. § 44-1845(B)(1)
  
3. **The name and address of agency personnel with whom persons may communicate regarding the rule:**  
Name: Richard Weinroth, General Counsel  
Address: Arizona Corporation Commission, Securities Division  
1300 West Washington, Third Floor  
Phoenix, Arizona 85007  
Telephone: (602) 542-4242  
Fax: (602) 542-3583
  
4. **An explanation of the rule, including the agency's reasons for initiating the rule:**  

The proposed rule provides an exemption from the registration requirements of A.R.S. §§ 44-1841 and 44-1842. The rule will allow issuers who rely on federal Rule 504 of Regulation D under the Securities Act of 1933 ("Rule 504") to offer and sell up to \$1 million of securities during any 12-month period to accredited investors, as defined in A.A.C. R14-4-126, provided certain conditions are met. The rule also provides an exemption under certain circumstances for resales of securities issued in compliance with the rule.

For an issuer to take advantage of the rule, the sale of securities may not exceed \$1 million in any 12-month period. In addition, the offers of securities must specify that sales will be made only to accredited investors, and sales of securities must be made exclusively to accredited investors. Since initial sales of securities can only be made to accredited investors, the only specific information required to be furnished by the issuer to investors is a warning legend specified by the rule. Accredited investors generally include certain types of institutional investors and individuals with substantial net worths or substantial incomes as defined in A.A.C. R14-4-126.

Certain issuers are ineligible to use the rule. Under the rule, the issuer may not be a development stage company with no business plan or a plan to engage in a merger or acquisition of an unidentified entity. Moreover, under Rule 504, the issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 and may not be an investment company under the Investment Company Act of 1940. Additionally, the issuer, or any of its predecessors, affiliates, directors, officers, general partners, or beneficial owners of 10% or more of any class of its equity securities, or any underwriter of the securities, cannot fall within the disqualification provisions of A.R.S. § 44-1901(G)(1) through (6).

There are very detailed and specific steps that an issuer must follow to avail itself of the exemption provided in the rule. Issuers must file any offering documents with the Commission at least ten business days in advance of any sales or securities. Advertisements must be filed with the Commission at least five business days prior to use. The offering documents or subscription agreement must contain a legend warning that the securities may only be sold to accredited investors. The certificate representing the security issued in accordance with the rule must have a similar legend. The rule also requires the issuer to provide an opinion of counsel as to the validity of the issuance of the securities. In addition, the rule requires the issuer to file with the Commission a copy of the initial Form D filed with the SEC pursuant to Rule 504. Finally, within 30 business days following the completion of any offering of securities, at least two officers, partners, or authorized persons of the issuer must file with the Commission a certificate stating that, after making a reasonable investigation, they believe that the issuer has complied with the conditions of the rule.

Unless registered under the Arizona Securities Act, resales of securities issued in accordance with the rule are limited in Arizona to accredited investors for the earlier of a three-year period or until the issuer completes a public offering or registration of its securities. Advertisements must specify that such resales in Arizona are limited to accredited investors.

If any offer, sale, or resale fails to comply with the conditions of the rule, it may be an unregistered, unlawful offer or sale. Civil and administrative liabilities may attach under the Arizona Securities Act. In addition, the Director of Securities may revoke the availability of the rule with respect to a particular issuer, seller, or transaction if the Director determines that there is a reasonable likelihood that the sale of the securities would work or tend to work a fraud or deceit upon the purchasers thereof. If the Director makes such a determination, the seller of the securities may request a hearing in accordance with the provisions of Article 11 of the Arizona Securities Act.

The purpose of the rule is to aid small businesses by providing a new and significant alternative for issuers employing Rule 504. Thus, the rule is intended to stimulate capital formation and promote economic growth.
  
5. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  

The rule is desirable to assist small businesses in capital formation in a manner which does not impose unnecessary expenses. The rule significantly benefits issuers by allowing them to seek capital from accredited investors in a significantly more cost-effective manner than with an offering of securities registered under Article 6 or Article 7 of the Arizona Securities Act. At the same time, since initial offers and sales of securities are limited to accredited investors, the risk of substantial harm to the

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general investing public is limited. Moreover, the Commission retains anti-fraud jurisdiction over any offering under the rule. Thus, the significant statewide interest in promoting capital formation for small businesses should be advanced without any significant loss of authority to the Commission.

6. The preliminary summary of the economic, small business, and consumer impact:  
Pursuant to A.R.S. § 41-1055(D)(3), the agency is exempt from providing an economic, small business, and consumer impact statement.
7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:  
Not applicable.
8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule; or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:  
Date: June 20, 1995  
Time: 10 a.m.  
Location: Arizona Corporation Commission  
1200 West Washington Avenue  
Phoenix, Arizona 85007  
Nature: Oral proceeding  
Close of Record: Open meeting of the Arizona Corporation Commission at which the Commission considers the hearing officer's recommended order with respect to the rule.
9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:  
None.
10. Incorporations by reference and their location in the rules:  
Form D of Regulation D (17 CFR 239.500 (1994)) and Rule 504 of Regulation D (17 CFR 230.504 (1994)) promulgated by the Securities and Exchange Commission under the Securities Act of 1933, are located in subsections(A)(3) and (4) respectively of the rule. The Code of Federal Regulations (CFR) is published by the Office of the Federal Register, and is available from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.
11. The full text of the rules follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;  
SECURITIES REGULATION

CHAPTER 4. CORPORATIONS COMMISSION  
SECURITIES

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

Section  
R14-4-140. Exempt Public Offerings to Accredited Investors

ARTICLE 1. IN GENERAL RELATING TO THE  
ARIZONA SECURITIES ACT

R14-4-140. Exempt Public Offerings to Accredited Investors

- A. Definitions and terms. As used in this rule, the following terms shall have the meaning indicated:
1. "Accredited investor" shall have the meaning provided in R14-4-126.
  2. "Business Day" shall mean any day other than a Saturday, Sunday, or day which is a legal holiday in the State of Arizona.
  3. "Form D" shall mean Form D of Regulation D (17 CFR 239.500 (1994)) promulgated by the SEC under the Securities Act of 1933, which is incorporated herein by reference and is on file with the Office of the Secretary of State.
  4. "Rule 504" shall mean Rule 504 of Regulation D (17 CFR 230.504 (1994)) promulgated by the SEC under the Securities Act of 1933, which is incorpo-

rated herein by reference and is on file with the Office of the Secretary of State.

5. "Securities Act" shall mean the Arizona Securities Act.
  6. "SEC" shall mean the United States Securities and Exchange Commission.
- B. Initial offers and sales of securities by an issuer in reliance on Rule 504 shall be exempt from the registration requirements of A.R.S. §§ 44-1841 and 44-1842, subject to the satisfaction of all the following conditions:
1. The exemption from A.R.S. § 44-1842 shall be available for offers of an issuer made only by its employees, officers, and directors who were not retained for the primary purpose of making offers on behalf of the issuer and shall not be available for third parties or dealers retained by an issuer in connection with offers of the issuer.
  2. The sale of securities shall not exceed \$1,000,000 in any 12-month period.
  3. The issuer shall not be a development stage company with no specific business plan or purpose or a development stage company that has indicated

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- that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.
4. Offers of securities must specify that sales shall be made only to accredited investors. Sales of securities shall be made exclusively to accredited investors.
  5. Any prospectus, offering memorandum, subscription documents, or other offering documents used in connection with the offer or sale of securities shall be filed with the Commission at least ten business days prior to the initial sale of securities.
  6. An opinion of counsel as to the validity of the issuance of the securities and the filing fee required by A.R.S. § 44-1861(E) shall be filed with the Commission at least ten business days prior to the initial sale of securities.
  7. Any advertisement, communication, or sales literature of any kind, published, either manually or electronically, exhibited, or broadcast for radio or television must specify that sales shall be made only to accredited investors and shall be filed with the Commission at least five business days prior to the use thereof. All radio and television broadcasts must be scripted and all such scripts and a videotape of all scripted television broadcasts must be submitted to the Commission within the requisite time period.
  8. The following legend shall be set forth on the cover page of any offering documents, or any subscription documents if there are no other offering documents, printed in capital letters in bold-face Roman type at least as large as ten point modern type and at least two points leaded:  
"SUBJECT TO THE PROVISIONS OF ARIZONA ADMINISTRATIVE CODE R14-4-140, THESE SECURITIES MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN ARIZONA ADMINISTRATIVE CODE R14-4-126 AND MAY BE RE-OFFERED AND SOLD WITHIN ARIZONA FOR A THREE-YEAR PERIOD ONLY TO ACCREDITED INVESTORS. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."
  9. The first sentence of the legend required by subsection (B)(8) shall be conspicuously set forth on the front of any certificate that represents a security issued or resold in accordance with this rule. Any certificate legend shall no longer be required upon the termination of any resale restrictions in accordance with subsection (F).
  10. A copy of any initial Form D required to be filed with the SEC shall be filed with the Commission within ten business days after filing the Form D with the SEC.
  11. At the time of sale, the issuer, or any of its predecessors, affiliates, directors, officers, general partners, or beneficial owners of 10% or more of any class of its equity securities, or any underwriter of the securities shall not fall within the disqualifications of A.R.S. § 44-1901(G)(1) through (6).
  12. No later than 30 business days following the completion of any offering of securities, the issuer shall file with the Commission a certificate, signed by at least two of its authorized officers, partners, or other authorized persons, stating that such authorized officers, partners, or other authorized persons, in their official capacities for the issuer and after undertaking a reasonable investigation, believe that the issuer has complied with all of the requirements of this subsection (B).
- C. The Director may, in the Director's discretion, waive any disqualification caused by subsection (B)(11).
- D. Any disqualification caused by subsection (B)(11) shall cease to exist if any of the following occurs:
1. The basis for the disqualification has been removed by the jurisdiction creating it.
  2. The jurisdiction in which the disqualifying event occurred issues a written waiver of the disqualification.
  3. The jurisdiction in which the disqualifying event occurred declines in writing to enforce the disqualification.
- E. Except for re-offers and resales registered under Articles 6 or 7 of the Securities Act, re-offers and resales of securities issued in accordance with subsection (B) shall be made in Arizona exclusively in accordance with this subsection (E). Such re-offers and resales shall be exempt from the registration requirements of A.R.S. §§ 44-1841 and 44-1842 subject to satisfaction of all of the following conditions:
1. Re-offers of securities must specify that resales within Arizona shall be made only to accredited investors. Resales of securities within Arizona shall be made exclusively to accredited investors.
  2. The seller of securities shall reasonably believe that the initial sale of securities complied with subsection (B). A reasonable belief may be based on the certificate of the issuer filed in accordance with subsection (B)(12), provided that the seller of the securities did not know, and in the exercise of reasonable care could not have known, of any material misstatement or omission in such certificate.
  3. Any advertisement, communication, or sales literature of any kind, published, either manually or electronically, exhibited, or broadcast for radio or television must specify that resales shall be made only to accredited investors.
- F. Any restrictions on re-offers or resales of securities imposed by subsection (E) shall terminate upon the earlier of:
1. Three years after the date of the filing of the certificate of the issuer required by subsection (B)(12).
  2. The registration, with the Commission under Articles 6 or 7 of the Securities Act or with the SEC under the Securities Act of 1933 or the Securities Exchange Act of 1934, of all or part of the same

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- class of securities or any other class of the insurer's securities junior in rank to such class of securities.
- G. The Director may revoke the availability of subsection (B) or (E) prior to any particular sale of securities under such subsections with respect to a particular issuer, seller, or transaction if the Director determines that there is reasonable likelihood that the sale of the securities would work or tend to work a fraud or deceit upon the purchasers thereof. In the event the Director makes such a determination, the seller of the securities may request a hearing in accordance with the provisions of Article 11 of the Securities Act by notifying the Commission within ten days after notice of the Director's determination described in this subsection (G).
- H. No action or inaction on the part of the Commission or

the Director with respect to any offer or sale of securities undertaken pursuant to this rule shall be deemed to be a waiver of any condition of this rule nor shall it be deemed to be a confirmation by the Commission of the availability of this rule of the approval of any offering.

Note. No specific information is required to be furnished to purchasers other than the legend required by subsection (B)(8). However, in view of the anti-fraud provisions of federal securities laws and the Securities Act, issuers of securities should consider carefully the advisability of written disclosure of all material information and risks respecting the securities being offered to investors.

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING  
CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION

PREAMBLE

- |  |   |
|--|---|
| <p>1. <u>Sections Affected</u><br/>R19-3-393<br/>R19-3-394<br/>R19-3-395<br/>R19-3-396</p> | <p><u>Rulemaking Action</u><br/>New Section<br/>New Section<br/>New Section<br/>New Section</p> |
|--|---|
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):  
Authorizing statute: A.R.S. § 5-504(B)  
Implementing statute: None listed  
The agency also listed R19-3-301 as part of their authorization for rulemaking.
3. The name and address of agency personnel with whom persons may communicate regarding the rule:  
Name: Ralph W.E. Decker, Executive Director  
Address: Arizona State Lottery Commission  
4740 East University  
Phoenix, Arizona 85034  
Telephone: (602) 921-4400
4. An explanation of the rule, including the agency's reasons for initiating the rule:  
The rules set forth provisions unique to the conduct of the Arizona Lottery's instant games. The provisions of these rules are necessary to implement the requirements of A.R.S. § 5-504(B) which have not been specified generically in A.A.C. R19-3-301. The unique provisions described in these rules are the nature and location of play symbols, the ticket number, the validation code, the prize denominations, and the method of selecting a winning ticket.
5. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:  
Not applicable.
6. The preliminary summary of the economic, small business, and consumer impact:  
These games will provide our players with a larger variety of instant games with a potential increase in sales. The only impact these rules have upon Lottery retailers is to specify how they determine if a ticket is a winning ticket and, if so, the prize amount.
7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:  
Name: Ralph W.E. Decker, Executive Director  
Address: Arizona State Lottery Commission  
4740 East University Drive  
Phoenix, Arizona 85034  
Telephone: (602) 921-4400

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8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule; or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: June 16, 1995  
 Time: 10 a.m.  
 Location: Arizona State Lottery Commission  
 4740 East University Drive  
 Phoenix, Arizona  
 Nature: Public and Commission Meeting

9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

The close of record for written and oral comments is scheduled for 5 p.m., June 15, 1995.

10. Incorporations by reference and their location in the rules:

A.R.S. § 5-504(B).

11. The full text of the rules follows:

**TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING**  
**CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION**

**ARTICLE 3. INSTANT LOTTERY GAMES**

**Section**

- R19-3-393. Scratch, Match, and Win  
 R19-3-394. Aces High  
 R19-3-395. Lucky Scratch  
 R19-3-396. Winning Card

play symbols, he or she wins that prize. The prizes are as follows:

Match 3	\$1	= \$1 (one dollar) or
Match 3	\$2	= \$2 (two dollars) or
Match 3	\$5	= \$5 (five dollars) or
Match 3	\$10	= \$10 (ten dollars) or
Match 3	\$20	= \$20 (twenty dollars) or
Match 3	\$50	= \$50 (fifty dollars) or
Match 3	\$100	= \$100 (one hundred dollars)

**ARTICLE 3. INSTANT LOTTERY GAMES**

**R19-3-393. Scratch, Match, and Win**

- A. Nine play symbols, which are contiguous to each other in three rows, appear under the latex in the play area located on the right side on the front of the ticket and are one of the following: "\$1", "\$2", "\$5", "\$10", "\$20", "\$50", or "\$100" with confirming captions.  
 B. A pack-ticket number beginning with 300001 is located in the lower left portion on the back of the ticket.  
 C. Play symbol captions correspond with and verify each of the play symbols as follows:

Play Symbol	Caption
\$1	ONEDOL
\$2	TWODOL
\$5	FIVEDOL
\$10	TENDOL
\$20	TWYDOL
\$50	FTYDOL
\$100	ONEHUND

- D. The retailer validation code verifies instant winners of \$1, \$2, \$5, \$10, \$20, \$50, or \$100. The retailer validation code which corresponds with and verifies each of these winners is as follows:  
 ONE = \$1      TEN = \$10  
 TWO = \$2      TWY = \$20  
 FIV = \$5      FFY = \$50  
                   ONH = \$100

- E. A prize winner in the "SCRATCH, MATCH & WIN" instant game is determined by removing the latex from the play area on the front of the ticket to determine the nine play symbols. Neither the retailer validation code (nor any portion thereof), the pack-ticket number (nor any portion thereof), or the validation number (nor any portion thereof) are play symbols and are not usable or playable as such. If the ticket owner matches three like

**R19-3-394. Aces High**

- A. In the latex play area located on the right side of the ticket, three play symbols appear in a vertical row with "YOUR CARD" printed above and can be one of the play symbols displayed in Exhibit A. Three play symbols appear in a vertical row with "HOUSE CARD" printed above and can be one of the play symbols viewed in Exhibit B.  
 B. Three prize symbols appear in a vertical row with "PRIZE" printed above and are one of the following: "\$1", "\$2", "\$5", "\$15", "\$50", and "\$500" with confirming captions. The prize symbols and confirming captions are as follows:

Prize Symbol	Caption
\$1	ONEDOL
\$2	TWODOL
\$5	FIVEDOL
\$15	FTNDOL
\$50	FTYDOL
\$500	FIVHUND

- C. A pack-ticket number is located on the lower left side of the back of the ticket and begins with 400001.  
 D. The retailer validation code verifies instant winners of \$1, \$2, \$5, \$10, \$15, \$50, \$100, \$150, and \$500. The retailer validation code which corresponds with and verifies each of these winners is as follows:  
 ONE = \$1      FFY = \$50  
 TWO = \$2      ONH = \$100  
 FIV = \$5      OFY = \$150  
 TEN = \$10      FHN = \$500  
 FTN = \$15  
 E. A prize winner in the "ACES HIGH" instant game is determined by removing the latex from the play area on

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the front of the ticket to determine the two play symbols and prize symbol identified as "Game 1", the two play symbols and prize symbol identified as "Game 2", and the two play symbols and prize symbol identified as "Game 3". Neither the retailer validation code (or any portion thereof), the pack-ticket number (or any portion thereof), nor the validation number (or any portion thereof) are play symbols or prize symbols and are not usable or playable as such. If the ticket holder's "YOUR CARD" beats "HOUSE CARD" in either "Game 1", "Game 2", or "Game 3", the player wins the prize shown for that game. There may be three winning games on a ticket. The prizes are as follows:

\$1	= \$1 (one dollar) or
\$2	= \$2 (two dollars) or
\$1+\$2+\$2	= \$5 (five dollars) or
\$5	= \$5 (five dollars) or
\$5+\$5	= \$10 (ten dollars) or
\$15	= \$15 (fifteen dollars) or
\$50	= \$50 (fifty dollars) or
\$50+\$50	= \$100 (one hundred dollars)
	or
\$50+\$50+\$50	= \$150 (one hundred fifty dollars) or
\$500	= \$500 (five hundred dollars) or
\$500+\$500	= \$1,000 (one thousand dollars) or
\$500+\$500+\$500	= \$1,500 (one thousand five hundred dollars)

**Exhibit A  
YOUR CARD**



**Exhibit B  
HOUSE CARD**



**R19-3-395. Lucky Scratch**

- A. Nine play symbols, which are contiguous to each other in three rows, appear under the latex in the play area located on the right side on the front of the ticket and are one of the following: "\$1", "\$2", "\$5", "\$10", "\$15", "\$100", or "\$1000" with confirming captions as illustrated in Exhibit C.
- B. A pack-ticket number beginning with 500001 is located in the lower left portion on the back of the ticket.
- C. Play symbol captions correspond with and verify each of the play symbols as follows:

<u>Play Symbol</u>	<u>Caption</u>
\$1	ONEDOL
\$2	TWODOL
\$5	FIVEDOL
\$10	TENDOL
\$15	FTNDOL
\$100	ONEHUND
\$1000	ONETHOU

- D. The retailer validation code verifies instant winners of \$1, \$2, \$5, \$10, \$15, or \$100 tickets. The retailer validation code which corresponds with and verifies each of these winners is as follows:
 

ONE = \$1	TEN = \$10
TWO = \$2	FTN = \$15
FIV = \$5	ONH = \$100
- E. A prize winner in the "LUCKY SCRATCH" instant game is determined by removing the latex from the play area on the front of the ticket to determine the nine play symbols. Neither the retailer validation code (or any portion thereof), the pack-ticket number (or any portion



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thereof), nor the validation number (or any portion thereof) are play symbols and are not usable or playable as such. If the ticket owner matches three like play symbols, he or she wins that prize. The prizes are as follows:

Match 3	\$1	= \$1 (one dollar) or
Match 3	\$2	= \$2 (two dollars) or
Match 3	\$5	= \$5 (five dollars) or
Match 3	\$10	= \$10 (ten dollars) or
Match 3	\$15	= \$15 (fifteen dollars) or
Match 3	\$100	= \$100 (one hundred dollars) or
Match 3	\$1000	= \$1000 (one thousand dollars)

Exhibit C  
CONFIRMING CAPTIONS



R19-3-396. Winning Card

- A. Four play symbols, which are in a horizontal row, appear under the latex in the play area located on the center right portion of the ticket with "YOUR CARD" printed above each play symbol and are one of the play spots displayed in Exhibit D. One winning number symbol appears on the upper right portion of the play area with "DEALER'S CARD" printed above and is one of the play spots displayed in Exhibit D.
- B. A pack-ticket number beginning with 600001 is located in the lower left portion on the back of the ticket.
- C. Prize symbol captions correspond with and verify each of the prize symbols as follows:

Prize Symbol	Caption
\$1	ONEDOL
\$2	TWODOL
\$3	THRDOL
\$5	FIVEDOL
\$10	TENDOL
\$50	FTYDOL
\$100	ONEHUND
\$2,000	TWOTHOU

- E. The retailer validation code verifies instant winners of \$1, \$2, \$5, \$10, \$20, \$50, or \$100. The retailer validation code which corresponds with and verifies each of these winners is as follows:

ONE = \$1	TEN = \$10
TWO = \$2	TWY = \$20
FIV = \$5	FFY = \$50
	ONH = \$100

- G. A prize winner in the "WINNING CARD" instant game is determined by removing the latex from the play area on the front of the ticket to determine the four play symbols and the winning number symbol. Neither the retailer validation code (or any portion thereof), the pack-ticket number (or any portion thereof), nor the validation number (or any portion thereof) are play symbols and are not usable or playable as such. If the player's "YOUR CARD" symbol matches the "DEALER'S CARD" symbol, the player wins the prize amount directly under the play symbol. There may be four ways to win on a ticket. The prizes are as follows:

\$1	=	\$1 (one dollar) or
\$2	=	\$2 (two dollars) or
\$2+\$2+\$1	=	\$5 (five dollars) or
\$3+\$2	=	\$5 (five dollars) or
\$5+\$5	=	\$10 (ten dollars) or
\$5+\$3+\$2	=	\$10 (ten dollars) or
\$5+\$5+\$10	=	\$20 (twenty dollars) or
\$10+\$5+\$3+\$2	=	\$20 (twenty dollars) or
\$50	=	\$50 (fifty dollars) or
\$100	=	\$100 (one hundred dollars) or
\$2,000	=	\$2,000 (two thousand dollars)

Exhibit D

DEALER'S CARD / YOUR CARD

