

237.75 OPERATING ELECTRONIC SWEEPSTAKES. MISDEMEANOR,
FELONY.

The defendant has been charged with [operating] [placing into operation] an electronic [machine] [device] for the purpose of [conducting] [promoting] a sweepstakes through the use of an entertaining display, including the entry process or the revealing of a prize.

For you to find the defendant guilty of this offense the State must prove two things beyond a reasonable doubt:

First, that the defendant [operated] [placed into operation] an electronic [machine] [device].¹

And Second, that the defendant did so for the purpose of [conducting] [promoting] a sweepstakes² through the use of an entertaining display³, including the entry⁴ process or the revealing of a prize⁵.

If you find from the evidence beyond a reasonable doubt that on or about the alleged date the defendant [operated] [placed into operation] an electronic [machine] [device] for the purpose of [conducting] [promoting] a sweepstakes through the use of an entertaining display, including the entry process or the revealing of a prize, it would be your duty to return a verdict of guilty. If you do not so find or if you have a reasonable doubt as to one or more of these things, it would be your duty to return a verdict of not guilty.

1. "Electronic machine or device" means a mechanically, electrically or electronically operated machine or device, that is owned, leased or otherwise possessed by a

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sweepstakes sponsor or promoter, or any of the sweepstakes sponsor's or promoter's partners, affiliates, subsidiaries or contractors, that is intended to be used by a sweepstakes entrant, that uses energy, and that is capable of displaying information on a screen or other mechanism. This section is applicable to an electronic machine or device whether or not:

- a) It is server-based.
- b) It uses a simulated game terminal as a representation of the prizes associated with the results of the sweepstakes entries.
- c) It utilizes software such that the simulated game influences or determines the winning or value of the prize.
- d) It selects prizes from a predetermined finite pool of entries.
- e) It utilizes a mechanism that reveals the content of a predetermined sweepstakes entry.
- f) It predetermines the prize results and stores those results for delivery at the time the sweepstakes entry results are revealed.
- g) It utilizes software to create a game result.
- h) It requires deposit of any money, coin, or token, or the use of any credit card, debit card, prepaid card, or any other method of payment to activate the electronic machine or device.
- i) It requires direct payment into the electronic machine or device, or remote activation of the electronic machine or device.
- j) It requires purchase of a related product.
- k) The related product, if any, has legitimate value.
- l) It reveals the prize incrementally, even though it may not influence if a prize is awarded or the value of any prize awarded.
- m) It determines and associates the prize with an entry or entries at the time the sweepstakes is entered.
- n) It is a slot machine or other form of electrical, mechanical, or computer game.
- o) N.C. Gen. Stat. § 14-306.4(a)(1)

2. "Sweepstakes" means any game, advertising scheme or plan, or other promotion, which, with or without payment of any consideration, a person may enter to win or become eligible to receive any prize, the determination of which is based upon chance. N.C. Gen. Stat. § 14-306.4(a)(5)

3. "Entertaining display" means visual information, capable of being seen by a sweepstakes entrant, that takes the form of actual game play, or simulated game play, such as, by way of illustration and not exclusion:

- a) A video poker game or any other kind of video playing card game.
- b) A video bingo game.
- c) A video craps game.
- d) A video keno game.
- e) A video lotto game.
- f) Eight liner.
- g) Pot-of-gold.
- h) A video game based on or involving the random or chance matching of different pictures, words, numbers, or symbols not dependent on the skill or dexterity of the player.

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- i) Any other video game not dependent on skill or dexterity that is played while revealing a prize as the result of an entry into a sweepstakes.

N.C. Gen. Stat. § 14-306.4(a)(3)

The statute was upheld in *Hest Technologies, Inc. v. North Carolina*, 725 S.E.2d 10, 2012 N.C. App. LEXIS 328 (N.C. Ct. App., 2012)

4. "Enter" or "entry" means the act or process by which a person becomes eligible to receive any prize offered in a sweepstakes. N.C. Gen. Stat. § 14-306.4(a)(2)

5. "Prize" means any gift, award, gratuity, good, service, credit, or anything else of value, which may be transferred to a person, whether possession of the prize is actually transferred, or placed on an account or other record as evidence of the intent to transfer the prize. N.C. Gen. Stat. § 14-306.4(a)(4)