

Terms and Conditions

For Application For Ohio Lottery Retailer License



Compliance with Lottery Act and Rules: The Retailer shall be bound and must comply with the Lottery Act (Chapter 3770 of the Ohio Revised code) and any amendments thereto and all rules, conditions, regulations, standards and orders adopted, promulgated or issued thereunder by the Ohio Lottery Commission ("Lottery") pursuant to Chapter 3770 of the Ohio Revised Code, Ohio administrative Code, or the Director of the Commission ("Director"), including Retail Sales Agent Operating Procedures ("Retail Agent Procedures") which will be provided by the Director. Retailers are not employees of the Ohio Lottery Commission and serve as independent contractors in their dispensing of Ohio Lottery Products.

INDEMNIFICATION

Retailer agrees, in addition to the signed Indemnification Agreement, that it shall indemnify and hold harmless, the Ohio Lottery Commission, its Director, Commissioners, employees and the State of Ohio for any cost, expense, damage or liability arising from Retailer's acts or omissions, or acts or omission of Retailer's employees or agents, in the conduct of any Lottery sales.

LICENSE FEES

Each Retailer shall pay to the Lottery a one time, \$25.00 non-refundable license fee. This \$25.00 license fee will be collected through your EFT account as an adjustment on the Retail Agent invoice report.

OTHER FEES

- The Retailer will be charged a \$12 weekly communication charge, which will appear on the Retailer's weekly invoice;
- The Retailer will be responsible for costs associated with obtaining a bond or participating in the Liability Deposit Program, if eligible.
- The Retailer may be charged installation fees for peripheral equipment.

BONDING

Each retailer shall be required to furnish a surety bond in an appropriate amount as determined by the Director. The Director may require additional bonding at any time. Eligible retailers will be able to deposit a monetary amount to the Lottery in lieu of the required bond amount.

SALE OF LOTTERY TICKETS

Retailer must participate as a Retailer in every Lottery Game assigned to the Retailer and agrees to use its best efforts to sell Ohio Lottery tickets. The Retailer agrees to prominently display all point of sale materials as required by the Director. Each license authorizes the sale of tickets only at the address on the face of the license and Retailers may only sell those schemes of chance authorized by the Director. Tickets may be sold only by the Retailer or through its employees. The Retailer shall be eligible for any bonus or incentive compensation awards which may, from time-to-time, be authorized by the Director. Retailer shall comply with all procedures relating to the Lottery Ticket Accounting System.

TICKET SALES POLICY

Location

Lottery tickets assigned to a Retailer are to be sold only at the Retailer's licensed location unless otherwise authorized by the Commission.

Sales

The Commission shall approve the terms of sale and payment and Retailers shall only sell tickets on such terms.

Financial Responsibility

Proceeds from the sale of any book of Lottery tickets become due to the Lottery upon any of the following, whichever occurs first: a) whenever the book is "MARKED SOLD," as described in the Float Policy (see below), b) upon the 65th day of activation, as described in the 65-Day Auto-Settlement Policy (see below), or c) upon the closeout date of the game corresponding with that lot. The Director or Designee may order that tickets not be issued to a Retailer who has failed to clear his/her account. Retailers who fail to make timely payment will be subject to the penalties as described in FI-03-10 Agent Strike Policy.

65-Day Auto-Settlement

All lots activated for 65 days will be automatically marked sold by the Lottery on the 65th day after the lot's initial activation. There may be game-specific exceptions to this Policy at the Lottery's discretion. The 65-Day Auto-Settlement Policy does not affect the Retailer's responsibility to "MARK-SOLD" any book that has been sold prior to the 65th day.

Float

The Lottery requires Retailers to "MARK-SOLD" through the gaming terminal any book of instant tickets issued to them when the book has been sold and is no longer in the Retailer's ticket inventory. The Lottery may also determine that a book of tickets is to be "MARKED SOLD" when a minimal amount of tickets remain unsold, or when the redemption value of a book reaches 90 percent, whichever is less. Failure by a Lottery Retailer to "MARK-SOLD" any book of tickets is considered "FLOAT," and is a violation of Lottery policy. This violation may result in suspension and/or revocation of the Retailer's Lottery License.

Accessibility

Retailers shall use their best efforts to make tickets easily available and accessible to the public and to encourage their sale.

Equipment

The Lottery shall provide wager processing equipment and/or storage units to the Retailer. The Retailer shall be responsible for the security of that equipment as described in EXLG-00-01 Agent Equipment – Damaged or Destroyed.

Marketing

The Director will initiate marketing and promotional programs and will provide Retailers with such sales materials as deemed appropriate. Retailers shall use all such materials in accordance with the instructions of the Lottery.

Wager Processing

Each Retailer shall always serve any customer waiting in line before accepting any large block orders for tickets. Retailers may not accept mail orders, phone orders, or bulk delivery of orders. Retailers may not accept automated bet slips from any customers playing an Ohio Lottery on-line game. Retailers may only accept original Ohio Lottery bet slips that have been completed by hand.

Security

Each Retailer is responsible for the security of Lottery products, equipment and/or storage units and the proceeds from the sale of Lottery products.

SALES PROCEEDS/ELECTRONIC FUNDS TRANSFER (EFT)

The relationship between the Ohio Lottery Commission and a Lottery sales agent is one of trust. A Lottery sales agent collects funds on behalf of the commission through the sale of Lottery tickets for which the agent receives a compensation.

The Retailer shall be financially responsible to the Lottery for all revenues derived from the On-line and Instant Ticket Games as recorded in the Lottery Gaming System.

The Retailer shall promptly pay all monies due to the Lottery at the designated time. The Retailer shall establish an account at a financial institution into which the funds due to the Lottery can be electronically transmitted to the Lottery. Delay or improper payment may result in terminal deactivation in accordance with the Lottery's Strike Policy. The Retailer understands the Strike Policy, and that a violation may result in the equipment being deactivated, the Retailer being fined and/or cancellation of the Retail Sales Agent's license. Directors, officers and controlling shareholders of corporation may be held personally for any funds owed to the Lottery.

TICKET SALES RESPONSIBILITY

The Retailer is solely responsible for the safety and security of all instant Lottery tickets delivered to it by the Lottery. On the dates and in the manner set out in the Retail Agent Procedures, the Retailer must account for such tickets, together with all unsold instant tickets, to the Lottery Sales Representative assigned to the Retailer. Any instant tickets which are not returned or properly accounted for on the specified date will be deemed to have been sold by the Retailer. The Lottery may withhold subsequent issues of instant tickets from a Retailer who has not fully accounted and paid for tickets previously issued to it.

RECORDS AND AUDITS

The Retailer acknowledges that the Auditor of the State and/or the Lottery may examine all records, files, and other documents of the Retailer as they pertain to its activities as a Lottery Retail Sales Agent for purpose of conducting authorized audits.

PAYMENT OF PRIZES

The Retailer shall provide prize redemption and claims services regardless of where a ticket is purchased. In this regard, the Retailer shall have funds on hand to pay all prizes up to \$599.00. The Retailer may not cash ticket winnings greater than \$599.00. The Retailer is responsible for the proper defacing, destruction and disposal of redeemed tickets after validation in the Gaming System. The Retailer will be liable for any prizes paid on improperly validated tickets or prize amounts.

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POINT-OF-SALE (“POS”) INFORMATION

The Retailer agrees to ascertain winning numbers and post them, along with any other Lottery-provided postings concerning prizes, prominently as soon as possible following the drawing of On-line games, or after receipt of such information. The Retailer further agrees to make available to its customers Lottery-provided how-to-play information concerning on-line games, as well as, customer bet slips.

All Retailers receive and agree to post Lottery provided information about Instant Games, how-to-plays, as well as, information about prizes remaining in various instant Games on sale.

The Lottery shall bear no liability for a Retailer’s failure to post POS information, for posting unauthorized POS or providing inaccurate information/statement.

ADDITIONAL RETAILER DUTIES

- Prior to the installation of a terminal, the Retailer shall attend such training sessions as the Lottery determines is necessary to ensure that the Retailer and its employees are properly trained in the operation of the computer terminal for the sale of Lottery game tickets, as well as, the validation and settlement system.
- The Retailer shall make the computer terminal available for the sale and cashing of tickets during the hours and days that the Retailer’s business is open. Retailer’s with a gaming terminal are encouraged to remain open a half-hour after the last drawing of the day.
- Prior to the installation of the terminal, and at the expense of the Retailer, a dedicated terminal circuit must be provided as described in the Terminal Installation Package provided by the Lottery. The Retailer shall pay all electrical costs and charges in connection with the terminal operation. The Retailer must also place the gaming terminal within the Retailer location on a site approved by the Lottery.
- The Retailer must exercise due diligence in the operation of the instant ticket validation and/or on-line gaming terminal(s) and notify the Lottery immediately of any telephone line or gaming terminal malfunction. The Retailer is responsible for the physical security of all Lottery equipment. The Retailer shall refrain from performing mechanical or electrical maintenance and repairs to any gaming equipment or satellite.
- The Retailer is responsible for terminal paper stock storage and replenishment of such paper in the terminal. Paper stock needs to be confirmed. Do not share paper stock with other retailers. The Retailer is also responsible for maintaining an adequate supply of updated Lottery forms and making the forms available to customers for their properly intended use (i.e., bet slips, claim forms, etc.).

GROUND FORS SUSPENSION, CANCELLATION, OR REVOCATION OF A LICENSE

The Retailer acknowledges the authority of the Director to suspend, cancel or revoke the license of any Retailer for any of the following means.

Violation of any of the conditions or provisions contained herein, the Ohio Revised Code and Ohio Administrative code, or any other Lottery policy may be cause for the Lottery to suspend, cancel or revoke the Retailer’s license to sell Lottery games in accordance with the Ohio Revised Code, Ohio Administrative Procedures Act, and Lottery policy. FURTHER, the Lottery reserves the right to suspend, cancel or revoke the license of the Retailer when such Retailer engages in conduct including, but not limited to, the following:

- Retailer is not the owner or lessee of the business at which it will conduct a Lottery retailer sales license.
- Failing to meet the weekly minimum sales volume required by the Lottery (minimum weekly sales volumes for Retail locations may be changed by the Lottery at its

ACKNOWLEDGEMENT

Each Applicant/Retailer attests that the information he/she provided on the application/license renewal and all attachments will be true and complete. The Applicant/Retailer understands and acknowledges that any falsification or misrepresentation provided in this application/license renewal shall be subject to immediate denial/cancellation of Lottery sales agent license. Applicant/Retailer agrees that the Lottery Director may make investigations permitted by the Lottery Act (Chapter 3770, Ohio Revised Code) in order to satisfy the conditions for licensing sales agents. These investigations may include without limitation, credit reviews, inspections of applicant’s /Retailer’s premises and inspection of law enforcement and other official records. Applicant/Retailer acknowledges that when he/she signs the licensing application/renewal, he/she has read and understands the conditions set out in this Terms and Conditions document and agrees to observe and be bound by them. Applicant/Retailer acknowledges that the Director is not obligated to issue a license/renewal, and can suspend or revoke the license at any time in accordance with the Ohio Administrative Procedures Act. Each person holding a Retailer license agrees to be bound by, and will observe the conditions listed on the application and in Chapter 3770 of the Ohio Revised Code and the Ohio Administrative Code and any Lottery policies. This acknowledgement applies also to Retailers submitting license renewal information.

discretion);

- Making a fraudulent misrepresentation in connection with the application for a Retail Sales Agent license or the Retailer’s conduct as a license holder;
- Selling Lottery tickets as the Retailer’s sole business, occupation or activity;
- Selling Lottery tickets to anyone under the age of 18;
- Selling Lottery tickets at a price different from the fixed by rules of the Lottery and stated on the face of the ticket;
- Allowing a person other than a licensed Retailer, or its employees, to sell Lottery tickets;
- Engaging in out-of-state lottery games or other schemes of chance not endorsed or approved by the Lottery or engaging in any block-betting;
- Failing to make the required week EFT to the Lottery in a prompt, timely and accurate fashion.
- Accepting payment in the form of anything other than cash, but failing to insure that funds are readily collectible from the customer to back the sale at the point of purchase; and
- Paying the holder of a winning ticket or game an amount less than the full prize amount for which the ticket or game is redeemable or submitting in its name, or in the name of any of its principals or employees, a prize claim that originally was presented for payment by another holder of the winning ticket on a game to whom the sales agent paid a discounted prize amount or from whom the sales agent received payment in return for making the claim.
- Failing to maintain a bond or deposit as required by the Director.
- Engaging in promotions involving alcohol, tobacco or other controlled substances.

PROHIBITION

Neither Retailer nor any person, on behalf of him/herself or any other organization, directly or indirectly, shall invite, solicit, demand, offer or accept payment, contribution, favor or other consideration to influence the award or retention of a Lottery Retail Sales Agent license. Whosoever engages in such conduct, or who sells a ticket to a minor, or who sells Lottery tickets at prices greater than those fixed by the Lottery is guilty of a misdemeanor in the third degree.

INTENT TO SELL, CEASE OPERATION OR RELOCATE

Lottery Retail Sales Agent licenses are not transferable and the Lottery does NOT recognize any management agreement. In the event a Retailer is selling its business to an entity that desires to become licensed, it is imperative for the buyer to contact the Lottery immediately to apply for a license in order to avoid an interruption in sales.

The Retailer must notify the Lottery at least sixty (60) days in advance of the Retailer’s intent to sell, cease operations or relocate the business either temporarily or permanently.

The Retailer must notify the Lottery at least fourteen (14) days in advance of any decision to close or change the location of the established EFT Bank Account in which the Retailer deposits monies due the Lottery. In the event a Retailer ceases to sell tickets for any reason whatsoever, the Retailer shall immediately cease to display any advertising pertaining to the sale of Lottery tickets regardless of whether such advertising was provided by the Lottery, by the Retailer, or by any other source.

Signature _____

Date _____