



VIDEO LOTTERY SALES AGENT LICENSE

TRANSFER OF OWNERSHIP APPLICATION

State of Ohio • Ohio Lottery Commission • 615 West Superior Avenue • Cleveland, Ohio 44113-1879

You must make accurate statements and include all material facts. Any omissions, material errors, misrepresentations, failure to provide any requested information, or failure to meet any other requirement as set forth in law or regulation may result in the denial of the Application or subsequent fines, suspension or revocation of any license issued by the Ohio Lottery Commission.

The Ohio Lottery Commission reserves the right to supplement, revise or amend this Application, which may require an Applicant or Video Lottery Sales Agent, if licensed hereunder, to submit additional documentation.

THIS FORM IS AN OFFICIAL DOCUMENT OF THE OHIO LOTTERY COMMISSION. IT CAN NOT BE ALTERED OR CHANGED IN ANY FASHION, EXCEPT TO FILL-IN THE AREAS PROVIDED WITH THE INFORMATION THAT IS REQUIRED. ANY ALTERATION OR CHANGE TO THIS DOCUMENT, WHICH IS NOT WITHIN THE EXCEPTION, MAY CAUSE THIS APPLICATION OR YOUR LICENSE TO BE DELAYED OR DENIED.

INSTRUCTIONS FOR VIDEO LOTTERY SALES AGENT LICENSE TRANSFER OF OWNERSHIP APPLICATION FORM

DEFINITIONS FOR PURPOSES OF THIS APPLICATION

Note: To the extent a definition is not provided herein, definitions contained in Section 3770:2-2-01 of the Administrative Code shall apply. In the event of any conflicts between the definitions contained herein and those set forth in the Administrative Code, the definitions set forth in the Administrative Code control.

Affiliate, affiliate of, or person affiliated with, means a person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

Capital investment means costs related to demolition, engineering, architecture, design, site preparation, construction, infrastructure improvements, land acquisitions, furniture, fixtures, equipment, insurance related to construction, capitalized interest and other financing costs, leasehold improvements, video lottery terminal acquisition and related technology, surveillance and security equipment, and such other costs as approved by the Director which are usual and customary for the industry.

Commission and Ohio Lottery Commission and Lottery mean the state lottery commission created by the Lottery Act.

Director means the Director of the state lottery appointed in accordance with the Lottery Act.

Entity is a person, other than an individual.

Holding company means a person, other than an individual, which directly or indirectly, owns, has the power or right to control or to vote five percent (5%) or more of the outstanding voting securities of a corporation or other form of business organization. A holding company indirectly has, holds, or owns any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

Indirect ownership interest means an ownership interest in an entity that has a direct ownership interest in an Applicant or licensee, or a direct ownership interest in an entity that has an ownership interest in an Applicant or licensee through one or more intervening entities.

Intermediary company means a person, other than an individual, which:

1. is a holding company with respect to a corporation or other form of business organization, which holds or applies for a license under this part; and
2. is a subsidiary with respect to any holding company.

Institutional investor means any of the following entities: a corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees' profit-sharing fund or employees' profit-sharing trust, any association engaged, as a substantial part of its business or operations, in purchasing or holding securities, including a hedge fund, mutual fund, or private equity fund or any trust in respect of which a bank is trustee or co-trustee, investment company registered under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, closed-end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered under the "Investment Advisors Act of 1940," 15 U.S.C. 80 b-1 et seq., and such other persons as the Commission may reasonably determine to qualify as an institutional investor for reasons consistent with this chapter.

Licensing fee means the fee to be paid by an applicant that is approved for a Video Lottery Sales Agent License which shall be in an amount set forth in rules promulgated by the Commission under division 3770:2 of the Administrative Code.

Lottery Act means Chapter 3770 of the Revised Code, and all amendments thereto.

Management agreement means an agreement, regardless of the level of compensation, between an Applicant for or holder of a Video Lottery Sales Agent License or a video lottery sales agent and a management company which sets forth the duties and responsibilities of a management company as such duties pertain to the handling or assistance with video lottery gaming activities at a video lottery sales agent's facility. To be effective in connection with video lottery gaming activities under authority of the Commission, a management agreement is subject to approval of the Director.



VIDEO LOTTERY SALES AGENT LICENSE

TRANSFER OF OWNERSHIP APPLICATION

State of Ohio • Ohio Lottery Commission • 615 West Superior Avenue • Cleveland, Ohio 44113-1879

Management company means a person who contracts with an applicant for a Video Lottery Sales Agent License or a video lottery sales agent to manage, handle or assist with video lottery gaming activities at a video lottery sales agent's facility.

Officer means a president, chief executive officer, chief operating officer, secretary, treasurer, principal legal officer, principal compliance officer, principal financial officer, comptroller, principal accounting officer, chief engineer or technical officer of a manufacturer and any person routinely performing corresponding functions with respect to an entity whether incorporated or unincorporated.

Permit holder means any entity authorized by the state racing Commission to conduct one or more horse racing meetings under Chapter 3769 of the Ohio Revised Code.

Person means any person, persons, association, corporation, limited liability company, partnership, club, trust, estate, society, receiver, trustee, hedge fund, mutual fund, private equity fund, person acting in a fiduciary or representative capacity, instrumentality of the state or any of its political subdivisions, or any other combination of individuals meeting the requirements established by rule or order of the Commission.

Publicly traded corporation means a person, other than an individual, which:

1. has securities registered under the Securities Exchange Act of 1934, as amended (48 stat. 881, 15 U.S.C. § 78a et seq.); or under the Securities Act of 1933, as amended (48 stat. 74, 15 U.S.C. § 77a et seq.);
2. is a registered management company under the Investment Company Act of 1940 (54 stat. 789, 15 U.S.C. § 80a-1 et seq.);
3. is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 by reason of having filed a registration statement which has become effective under the Securities Act of 1933, as amended (48 stat. 74, 15 U.S.C. § 77a et seq.); or
4. files a registration statement with the Securities and Exchange Commission

Subsidiary means a person other than an individual. The term includes:

1. a corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company;
2. a significant interest in a person, other than an individual, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company; or
3. a person deemed to be a subsidiary by the Commission.

Temporary video lottery sales agent license means a license issued to an applicant, who is a permit holder, by the Director on a temporary basis on terms and conditions deemed appropriate by the Director. A temporary license may be converted to a video lottery sales agent license. The temporary license is subject to suspension, modification, revocation or fines as authorized by the Lottery Act, rule, regulation, policy, order or directive of the Commission or Director.

Video lottery applicant means a person who is a permit holder and who applies for a video lottery sales agent license in accordance with the lottery act.

Video lottery central monitoring system means a system that may be operated by or under the control of the Lottery Commission for the purpose of providing the following functions relating to the sales of video lottery games: security, auditing, data and information retrieval, and other purposes deemed necessary and authorized by the Lottery Commission.

Video lottery sales agent means a person who is a permit holder which conducts live racing in accordance with 3769 of the Revised Code, and which is licensed by the Director to sell video lottery games through video lottery terminals, and who continues to be a permit holder while authorized by the Director to sell video lottery games.

Video Lottery Sales Agent License means the specific privilege granted to a video lottery applicant by the Director to sell video lottery games. A Video Lottery Sales Agent License is subject to suspension, modification, revocation or fines as authorized by the Lottery Act, rule, regulation, policy order or directive of the Commission or Director. A Video Lottery Sales Agent License may be renewed in accordance with the applicable renewal procedures for a term as established by the Lottery Act or rule.

Video lottery principal or principal means (1) an officer or member of the board of Directors of a video lottery applicant or licensee; (2) a shareholder, general partner of a partnership, individual proprietor of a proprietorship, or any other form of association, entity, organization, or group of owners, having, directly or indirectly an ownership interest of five percent or more in a video lottery applicant or licensee; (3) an institutional investor having an ownership interest in a video lottery applicant or licensee of five percent or more, except as otherwise provided in section 3770:2-3-01(A)(7) of the Administrative Code.

Video lottery terminal or VLT is a device used by a video lottery sales agent in connection with the sale of video lottery games. The VLT is connected to the video lottery central monitoring system.

Video lottery terminal income means credit(s) played, less value credits, less video lottery prize winnings.



VIDEO LOTTERY SALES AGENT LICENSE

TRANSFER OF OWNERSHIP APPLICATION

State of Ohio • Ohio Lottery Commission • 615 West Superior Avenue • Cleveland, Ohio 44113-1879

INSTRUCTIONS

These instructions are applicable to an Applicant seeking a Video Lottery Sales Agent License (hereinafter "License") Transfer of Ownership. The information requested relates to the Applicant. If a business entity that applies for ownership of a License is a subsidiary or if a business entity holding a License is to become a subsidiary, each parent holding company and each parent intermediary company with respect to the Applicant shall, as a condition of the subsidiary acquiring or retaining a License, provide all the information if requested by the Director.

A Video Lottery Sales Agent License is a privilege. The burden of proving qualifications to receive Transfer of Ownership of such a license is at all times borne by the Applicant. The Applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action, or financial loss, which may result from action with respect to any Application, and expressly waives any claim for damages as a result thereof. Information not called for in this form or in addition to that which is provided in response to this form may be requested. The Applicant shall provide all information, documents, materials and certifications at the Applicant's sole expense and cost.

The Applicant is under a continuing duty to promptly disclose any changes in the information provided in the Application and requested materials submitted to the Commission. The duty to make such additional disclosures shall continue throughout any period of the license that is or has been granted by the Commission.

All entries on the form must be typed or printed block lettering. Initials or signatures must be in handwriting by the person providing the information, unless otherwise stated by the Commission. If the Application is being completed by someone other than the Chief Executive Officer of the Applicant, the Chief Executive Officer must also sign the Application. If the answers are not legible, the Application may not be accepted. The Applicant must submit one signed original and one electronic copy of the materials.

The Applicant, if it is an individual, must initial only those pages that are so marked or if the Applicant is not an individual, the person authorized to complete the form on behalf of the Applicant must initial the pages that are so marked. If additional pages are required to answer any question, additional pages may be utilized and must be attached to the form. Be sure to indicate the number(s) of the question(s) being answered and initial each additional page. Some schedules may require disclosure of information for more than one individual or entity or type of information. If there are multiple disclosures, make enough additional copies of the blank schedule and complete it for each individual or entity. Each person required to submit a criminal background check must complete and return an Authorization to Release Criminal Record Form, Exhibit 15 with fingerprint impressions on fingerprint cards prescribed by the superintendent of the bureau of criminal identification and investigation at a qualified law enforcement agency.

All notices regarding your Application will be sent to the address you provide on this form. You must promptly notify the Commission if you change your address. Failure to answer any question completely and truthfully may result in denial of your Application. If a thorough and complete response to any question cannot be provided at the time of Application submission, an Applicant must indicate the reason and indicate a date by which a thorough and complete response will be provided.

An Applicant should give specific attention and clearly identify those portions of its Application that it deems to be confidential, proprietary commercial information or trade secrets pursuant to the Ohio Revised Code. Information that the Commission determines to be confidential, proprietary or a trade secret as set forth in the Ohio Revised Code will not be disclosed by the Commission. Applications shall be open to public inspection to the extent permitted by the Ohio Revised Code. Attached to the redacted application, the Applicant must submit a list of each redaction, with a detailed legal explanation for each redaction to demonstrate that the redacted information is protected under the Ohio Public Records Act and Ohio Revised Code section 3770.22. A blanket statement that all redactions are exempt from disclosure pursuant to the Ohio Public Records Act, Ohio Revised Code section 2770.22 and/or the Uniform Trade Secrets Act is not a sufficient explanation. The redacted version(s) must be submitted as an electronic copy in a searchable PDF format. The redacted version(s) and accompanying explanation, as submitted, will be available for inspection and released in response to public records requests. An Applicant waives any liability of the State of Ohio, the Ohio Lottery Commission, the employees of the Lottery and its instrumentalities and agents for any damages resulting from any disclosure or publication in any manner.

Additional financial information may be requested as needed.

The terms and conditions of this document describe responsibilities of the Applicant and the Video Lottery Sales Agent. The complete application package must address the items required to be completed by the Applicant. Responsibilities of the Video Lottery Sales Agent are ongoing following licensure.

A Transfer of Ownership Application deposit of One Million Five Hundred Thousand Dollars (\$1,500,000.00) shall accompany this Application. Applicant will be responsible for any additional costs associated with processing this Application.

Read each question carefully prior to answering. Answer every question completely. Do not leave blank spaces. If a question does not apply to the Applicant, write "does not apply" in response to that question. If an exhibit or addendum does not apply to the Applicant, write "does not apply" on the exhibit or addendum.

The Applicant must submit one signed original, one electronic copy, and one electronic redacted copy of the materials. The original signed Applications and all attachments should be submitted to the attention of Simeonia Mays, Deputy Director Racino Operations, Ohio Lottery Commission, 615 W. Superior Avenue, Cleveland, Ohio 44113. Applicants will contact Simeonia Mays at Simeonia.mays@lottery.ohio.gov to arrange for an electronic file drop of the electronic redacted copy and the electronic copy of the original application and attachments.



TRANSFER OF OWNERSHIP APPLICATION

NUMBER OF VIDEO LOTTERY TERMINALS REQUESTED

**TRANSFER OF OWNERSHIP APPLICATION****1. ORGANIZATION (IF A SOLE PROPRIETORSHIP, PROVIDE AN ANSWER TO THE APPROPRIATE QUESTIONS)**

Complete **Exhibit 1(A)** providing Applicant's Incorporators/Founders. Please attach certified copies of the Article of Incorporation, Charter and By-laws, and all amendments and proposed amendments for Applicant. (**Note:** If a Sole Proprietorship, provide the appropriate information on the Exhibits.)

A. OTHER NAMES AND ADDRESSES OF APPLICANT

- 1). Use **Exhibit 1(B)** to provide all the current addresses of Applicant and all current addresses from which the Applicant is doing business. (**Note:** If a Sole Proprietorship, provide the appropriate information on the Exhibits.)
- 2). Use **Exhibit 1(C)** to provide all names, addresses, other than those listed in Exhibit 1B, which Applicant has used or from which it was conducting business during the last ten (10) year period, and list the approximate dates during which said addresses were held. (**Note:** If a Sole Proprietorship, provide the appropriate information on the Exhibits.)

B. ALL BUSINESSES OPERATED BY THE APPLICANT

Use **Exhibit 1(D)** to provide a description of all businesses presently operated or intended to be operated by the Applicant and all former businesses operated by the Applicant in the past ten (10) years.

C. ALL HOLDING COMPANIES, INTERMEDIARY COMPANIES, SUBSIDIARIES, AFFILIATES OR OTHER BUSINESS TYPE ENTITIES

Use **Exhibit 1(E)** to list the names, all addresses used in the last ten (10) years, the form of organization and a description of the business performed by all holding companies, intermediary companies, subsidiaries, affiliates and any other similar business entity of the Applicant. Do not provide those already listed in Exhibit 1(D).

D. TABLE OF ORGANIZATION

Attach a current organization/ownership table for the applicant, and all holding, intermediaries, subsidiaries, affiliates or any other type of business entity of the Applicant. Please label as **Exhibit 1(F)**.

2. CURRENT PRINCIPALS, MEMBERS OF THE BOARD OF DIRECTORS, PARTNERS, OFFICERS AND TRUSTEES AND COMPENSATION

Use **Exhibit 2** to provide information for each Principal, Members of the Board of Directors, Partner, Officer and Trustee of the Applicant. Use **Exhibit 2** to provide the following information regarding the amount of total compensation earned/received during the last calendar year and the amount to be earned during the present calendar year by each Principal, Member of the Board of Directors, Partner, Officer and Trustee of the Applicant. Compensation includes, but is not limited to, salary, wages, Commissions, fees, stock options, bonuses or other monetary equivalent.

3. COMPENSATION OVER \$150,000

Use **Exhibit 3** to provide the information for all employees who are or are anticipated to be working on the property of the Video Lottery Sales Agent which is the subject of this Application and who earn over \$150,000 in annual compensation from the Applicant. Do not include those listed in Exhibit 2. Compensation includes, but is not limited to, salary, wages, Commissions, fees, stock options, bonuses or other monetary equivalent.

4. BONUS, PROFIT SHARING, PENSION, RETIREMENT, DEFERRED COMPENSATION & SIMILAR PLANS

Use **Exhibit 4** to provide a description of all bonus, profit sharing, pension, retirement, deferred compensation and similar plans in existence or to be created. If the space provided in the Exhibit is insufficient to describe the plan, the Applicant may attach additional pages as necessary to describe each and every plan.

5. STOCK OR UNIT DESCRIPTION

Use **Exhibit 5** to provide the nature, type and number of authorized and issued shares, warrants, units of every type and description. Provide the terms, conditions, rights and privileges of all classes of voting, non-voting and other stocks or units issued or to be issued by the Applicant or a Holding, Intermediary, Subsidiary, Affiliate and any other type of similar business entity of Applicants. This should include the number of shares of each class and kind of stock or units authorized or to be authorized and the number of shares of each class of stock or units outstanding as of this date. If the right of holders of any class of stock or unit may be modified by less than a majority or more of outstanding shares or units of the class affected, voting as a class or block, please state which class or block and explain briefly.

6. VOTING AND NON-VOTING SHAREHOLDERS/MEMBERS

Use **Exhibit 6** to provide information on each person or entity holding of record or having a beneficial interest of five percent (5%) or more in any voting or non-voting stock or units issued by the Applicant as of the date of filing the Application.

**TRANSFER OF OWNERSHIP APPLICATION****7. INTEREST OF CURRENT PARTNERS (PARTNERSHIPS, LLPS, LLCs AND LIMITED PARTNERSHIPS)**

Use **Exhibit 7** to list the Applicant's Current Partners, the type of partnership, the percentage of ownership of each partner, date partner entered partnership and the description of participation in the operation by each partner.

8. HOLDER(S) AND EXTENT OF LONG TERM DEBT

Use **Exhibit 8** to list the holder(s) and to describe the nature, type, terms, covenants, conditions and priorities of all outstanding bonds, loans, mortgages, trust deeds, notes, debentures, convertibles, or other forms of indebtedness issued or executed (including loans made by shareholders), or to be issued or executed, by the Applicant or for Applicant and the holding company, intermediary company, subsidiaries, affiliates and any other type similar business entity of Applicants, which mature more than one (1) year from the date of issuance or which, by their terms, are renewable for a period of more than one (1) year from the date of issuance. For Publicly Traded Corporations, provide the list of holders from the Depository Trust Clearance Corporation.

9. HOLDER(S) AND TYPE OF OTHER INDEBTEDNESS AND SECURITY DEVICES

Use **Exhibit 9** to identify the holder(s) and describe the nature, type, terms, conditions and covenants of all outstanding loans, mortgages, trust deeds, pledges, lines of credit, convertibles or other evidence of indebtedness or security devices utilized by the Applicant other than those described in response to Exhibit 9 for Applicant and the holding company, intermediary company, subsidiaries, affiliates and any other similar business entity of Applicants.

10. SECURITIES OPTIONS

Use **Exhibit 10** to provide detailed description of any options existing or to be created with respect to securities issued by the Applicant which description shall include, but not be limited to the title and amount of securities subject to option, the year or years during which the options were or will be granted, the conditions under which the options were or will be granted, the consideration for granting the option and the year or years during which, and the terms under which, optionees became or will become, entitled to exercise the options, and when such options expire. (**IMPORTANT:** include copies of any outstanding option plans or proxy statements that correspond to the requested information.) **NOTE:** For the purpose of this Application, option shall mean right, warrant or option to subscribe to or purchase any securities issued by the corporation.

11. BENEFICIAL OWNERS OF OPTIONS

Use **Exhibit 11**, to provide the following information regarding all persons holding the options described in Exhibit 10.

12. PRINCIPALS NOT YET DISCLOSED

Use **Exhibit 12** to provide all Principals not yet disclosed in this Application. Such Principals shall include both individuals and entities that have a five percent (5%) or greater ownership interest in the Applicant or licensee.

13. FINANCIAL INSTITUTIONS

Use **Exhibit 13** to provide information with respect to each bank, savings and loan association or other financial institution, whether domestic or foreign, in which the Applicant has or has had an account over the last ten (10) year period regardless of whether such account was held in the name of the Applicant, a nominee of the Applicant or was otherwise under the direct or indirect control of the Applicant.

14. APPLICANT STOCK HOLDINGS

Use **Exhibit 14** to provide the following information about each company in which the Applicant holds stock.

**TRANSFER OF OWNERSHIP APPLICATION****15. CRIMINAL HISTORY**

THIS SECTION ASKS ABOUT ANY OFFENSES APPLICANT, OR ANY OF ITS SUBSIDIARIES OR ENTITIES WITH WHOM THERE IS A MANAGEMENT AGREEMENT, OR ANY OF ITS PRINCIPALS, OFFICERS, MEMBERS OF THE BOARD OF DIRECTORS, TRUSTEES, AND PARTNERS, MAY HAVE COMMITTED OR CHARGES FILED AGAINST THEM. PRIOR TO ANSWERING THIS QUESTION, CAREFULLY REVIEW THE DEFINITIONS AND INSTRUCTIONS THAT FOLLOW.

DEFINITIONS FOR PURPOSES OF THIS SECTION ONLY

"CRIME OR OFFENSE" includes all felonies and misdemeanors, as well as summary offenses that may have required you to appear before a law enforcement agency, state or federal grand jury, county court, municipal court, city court, military court or any other court except juvenile court. Include all DUI/DWI offenses. This does not include traffic or parking violations, except for driving while license is revoked/suspended and/or leaving the scene of an accident.

INSTRUCTIONS**A. ANSWER "YES" AND PROVIDE ALL INFORMATION TO THE BEST OF YOUR ABILITY EVEN IF:**

- 1). You were arrested but never charged with an offense;
- 2). You did not commit the offense charged;
- 3). The arrest, charges or offense happened a long time ago;
- 4). The charges were downgraded to a lesser charge;
- 5). You pleaded nolo contendere to the charges;
- 6). You completed any type of rehabilitative or diversionary program;
- 7). You were not physically arrested but did appear in court on the charges;
- 8). You received a fine but no time was served in any type of correctional facility.

B. Answer "NO" if:

- 1). You have never been charged or arrested with any crime or offense; or
- 2). Your arrest happened when you were under eighteen (18) years of age and your court appearance and any resulting disposition occurred in Juvenile Court; or
- 3). The records relating to a charge, arrest, or conviction have been expunged or otherwise officially sealed by a court or government agency. The Director reserves the right to request or obtain information about the expungement or sealing order as part of the licensing process.

Has the Applicant or any of its subsidiaries, principals, members of the board of Directors, partners, trustees or officers ever been arrested, indicted, charged with or convicted of a criminal offense or been a party to or named as an unindicted co-conspirator in any criminal proceeding in this state or any other jurisdiction? (Criminal offenses shall include, but are not limited to, any felony, misdemeanor or gambling offense)

| YES | NO |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |

If yes, use **Exhibit 15** to provide information concerning criminal history and complete an Authorization to Release Criminal Record.

16. INVESTIGATION, TESTIMONY OR POLYGRAPHS

Has the Applicant, any of its subsidiaries, principals, members of the board of Directors, partners, trustees or officers ever been called to testify before, been the subject of an investigation conducted by, or been requested to take a polygraph exam by any governmental agency, court, committee, grand jury or investigatory body (municipal, state, county, provincial, federal, national, etc.) other than in response to minor traffic related offenses?

| YES | NO |
|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> |

If yes, use **Exhibit 16** to provide information about any such testimony, investigation or polygraph exam.

17. EXISTING AND PAST LITIGATION

Use **Exhibit 17** to describe all existing civil litigation or any settled or closed legal action over the past three (3) years to which the Applicant, its parent, affiliate, holding or any subsidiary is or was a party whether in this state or in another jurisdiction involving: any civil assessment of damages or judgement entered against it in the amount of \$250,000 or greater; fraud; misrepresentation; falsification; conversion; racketeering; securities violation(s); or breach of fiduciary responsibility. This description must include the title and docket number of the litigation, the name and location of the court before which it is pending, the identity of all parties to the litigation, the general nature of all claims being made and the nature of any judgments or court dispositions. Please list most recent litigation first.



VIDEO LOTTERY SALES AGENT LICENSE

TRANSFER OF OWNERSHIP APPLICATION

State of Ohio • Ohio Lottery Commission • 615 West Superior Avenue • Cleveland, Ohio 44113-1879

18. ANTITRUST, TRADE REGULATION & SECURITIES JUDGMENT; STATUTORY AND REGULATORY VIOLATIONS

| | | |
|---|---------------------------------|--------------------------------|
| Has the Applicant ever had a judgment, order, consent decree or consent order pertaining to a violation or alleged violation of the federal antitrust, trade regulation or securities laws, or similar laws of any state, province or country entered against it? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| In the past ten (10) years, has the Applicant had a judgment, order, consent decree or consent order pertaining to any state or federal statute, regulation or code that resulted in a fine or penalty of \$10,000 or more entered against it? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

If yes to either question, use **Exhibit 18** to provide the following information for each judgment, order, consent decree or consent order.

19. BANKRUPTCY OR INSOLVENCY PROCEEDINGS

For purposes of this question, personal bankruptcy or insolvency filings for members of the board of Directors, individual partners, officers, or individual trustees are excluded.

| | | |
|---|---------------------------------|--------------------------------|
| A. Has the Applicant, or any Principal had any petition under any provision of the Federal Bankruptcy Code or under any state insolvency law filed by or against it in the last ten year period? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| B. Has the Applicant, or any Principal sought relief under any provision of the Federal Bankruptcy Code or under any state insolvency law in the last ten year period? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| C. Has any receiver, fiscal agent, trustee, reorganization trustee, or similar officer been appointed in the last ten year period by a court for the business or property of the Applicant, or any Principal? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

If yes to either question, use **Exhibit 19** to provide information for each bankruptcy or insolvency proceeding.

20. LICENSES

| | | |
|--|---------------------------------|--------------------------------|
| A. Has the Applicant or Principal entity with whom a management agreement has been executed ever applied in any jurisdiction, including, but not limited to any Federal, State, Local or Native American Governments for a license, permit or other authorization to participate in lawful gambling operations (including slot machines, video lottery terminals, table gaming, horse racing, dog racing, pari-mutuel operation etc.)? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| B. Has the Applicant or any Principal entity with whom a management agreement has been executed ever had any license, permit or other authorization issued by a government agency in this state or any other jurisdiction, denied, suspended or revoked in last ten year period? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

If yes, use **Exhibit 20** to provide information regarding licenses, permits or other authorizations issued by a government agency. Please list Ohio licenses first.

21. CONTRIBUTIONS AND DISBURSEMENTS

| | | |
|---|---------------------------------|--------------------------------|
| A. During the last ten (10) year period, has the Applicant or any Principal, Director, officer, or employee or any third party acting for or on behalf of any of the foregoing made any bribes or kickbacks or made any payments alleged to have been bribes or kickbacks to any employee, company or organization to obtain favorable treatment? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| B. Has the Applicant or any Principal, Director, officer or employee or any third party acting for or on behalf of the corporation made any bribes or kickbacks or made any payments alleged to have been bribes or kickbacks to any government official, domestic or foreign to obtain favorable treatment in the last ten year period? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| C. In the last ten (10) years, has the Applicant, or any Principal acting for or on behalf of the Applicant, maintained any bank account, domestic or foreign, not reflected on the Applicant's books or records? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| D. During the last ten (10) year period, has the Applicant or any Principal maintained any numbered accounts or any account in the name of a nominee for the Applicant? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

If yes, use **Exhibit 21** to provide information for any present or former Principals, Directors, officers, employees or third parties who would have knowledge or information concerning the questions above for any of the referenced questions answered affirmatively under this item. If no, write "not applicable" on **Exhibit 21**.

22. APPLICANT REQUEST TO RELEASE INFORMATION

Use **Exhibit 22** to provide the Commission with the necessary authorization to conduct investigations of the Applicant.

EXHIBIT DOCUMENTS SUBMITTED SEPARATELY



TERMS AND CONDITIONS

Please read this document carefully, then sign and date it in ink. Please print the following information:

| | | | |
|--------------------------------|------|-------|----------|
| APPLICANT'S FULL BUSINESS NAME | | | |
| STREET ADDRESS | CITY | STATE | ZIP CODE |

In order to determine the Applicant's qualifications for Transfer of Ownership of a Video Lottery Sales Agent License ("License" or "Video Lottery Sales Agent License"), the above-referenced entity (hereinafter referred to as "Applicant") understands, acknowledges, and consents that the Ohio Lottery Commission ("Commission"), including but not limited to, its Commissioners, employees, agents and designees must make a thorough investigation of the Applicant's records and background. It is in the public's interest that all relevant information concerning the Applicant is disclosed to the Commission and that the Commission obtain all necessary and required information. The Commission reserves the right to revise, supplement or amend this Application, which may require an Applicant or Video Lottery Sales Agent to submit additional documentation.

COMPLIANCE WITH LOTTERY ACT AND RULES

The Applicant and, in the event a Transfer of Ownership is issued, the license holder ("Video Lottery Sales Agent"), acknowledge and agree to be bound and must comply with the applicable portions of the Lottery Act (Chapter 3770 of the Ohio Revised Code) and any amendments thereto and all applicable current or future rules, conditions, regulations, standards, directives and orders adopted, promulgated or issued thereunder by the Ohio Lottery Commission pursuant to Chapter 3770 of the Ohio Revised Code, Ohio Administrative Code, or the Director of the Ohio Lottery Commission ("Director"). Division 3770:2 of the Ohio Administrative Code pertains to video lottery gaming, and unless specifically incorporated by reference in a rule under division 3770:2, rules under Chapter 3770 including division 3770:1 shall not apply to video lottery gaming.

CONSENT

The Applicant hereby consents and acknowledges that the Commission shall have the power and authority with good cause shown, without notice and without warrant at any time, to do any and all of the following:

1. Inspect any video lottery terminals, central monitoring system, or associated equipment and software in, about, on, or around the facility;
2. Inspect and examine all premises in which video lottery gaming under this subtitle is conducted and/or any authorized video lottery terminals, central monitoring system, or associated equipment and software designed, built, constructed, assembled, manufactured, sold, distributed, or serviced, or in which records of those activities are prepared or maintained;
3. Seize summarily and remove from those premises and impound, assume physical control of, or disable any video lottery terminals, central monitoring system, or associated equipment and software for the purposes of examination and inspection;
4. Inspect, examine, and audit books, records, and documents concerning a video lottery sales agent's video lottery gaming activities, including the financial records of a parent corporation, subsidiary corporation, affiliate corporation or similar business entity related to the gaming business conducted by the video lottery sales agent,
5. Seize, impound, or assume physical control of books, records, ledgers, cash boxes and their contents, a counting room or its equipment, or other physical objects relating to video lottery gaming.

ACKNOWLEDGEMENT AND AUTHORIZATION TO CONDUCT BACKGROUND INVESTIGATIONS

The Applicant hereby consents to a full background investigation and acknowledges that the Commission may use any legal means to initiate such investigation into the backgrounds and records of the Applicant or the Applicant's officers, principals, subcontractors, or subcontractors' principals, management company employees, or any other associates of the Applicant. The background investigation will be conducted to determine the Applicant's qualifications and eligibility to become an owner of a Video Lottery Sales Agent licensee. The Applicant understands that the Commission will conduct full, complete, and comprehensive investigations to determine the accuracy of all information gathered. Applicant understands and acknowledges that the results of a background investigation and report, as well as the conclusions drawn therefrom by the Commission may prove unfavorable to the Applicant.

The Applicant understands and acknowledges that the Commission may obtain information pursuant to such investigations through personal interviews with acquaintances, business associates and other persons who may have knowledge as to the Applicant's background and records. The Applicant further understands and acknowledges that inquiry into the Applicant's formation documents (e.g., charter, bylaws, etc.), public records, registrations and licenses, and depositions and transcripts may be relevant to the Commission's



evaluation of the Applicant's qualification and eligibility. The Commission may examine documents, records, and data from foreign and domestic sources whether through public or private channels, including but not limited to: credit bureaus; motor vehicle records and investigations; reports from federal, state and local gaming and gambling sources; professional associations; certification/licensing boards and Commissions; criminal and civil courts and administrative tribunals; police departments and bureaus; banks, financial and lending institutions; bonding, surety and insurance companies; governmental agencies and units; corporations, employers, and references, or any other entity deemed necessary to release any information the Commission and its Agent may require in connection with its investigations. Background investigations may include fingerprint identification by the Bureau of Criminal Investigation (BCI), the Federal Bureau of Investigation, any foreign investigative service or any law enforcement agency.

The Applicant understands and acknowledges that a criminal background investigative search may contain records of arrests which resulted in a disposition other than a finding of guilt (i.e. dismissal of charges or charges that resulted in a finding of not guilty). The Applicant further understands and acknowledges that the information may contain listings of charges that resulted in a dismissal or nolle prosequi based on compliance with a diversion program or other similar program even though the Applicant, and/or its principals successfully completed the conditions of such program, including probation terms, or a charge was later discharged, sealed, or expunged. The Applicant acknowledges and authorizes the release of any such information to the Commission even though a record is designated as non-public.

In order to facilitate background investigations, each Applicant, including the parent or subsidiary of each Applicant, and any other individuals or entities required to submit to background investigations must complete Exhibit 15 and any other documents required by the Commission. The Commission reserves the right to require additional background information from the Applicant at any time. The Applicant agrees that, during the term of the License, and any renewal thereof, the Applicant shall be obligated to provide any additional information as the Commission may prescribe.

The Applicant understands and acknowledges that falsification of information submitted to the Commission or any third party acting on behalf of the Commission shall constitute an immediate denial of an Application, and may result in the suspension or revocation of a Video Lottery Sales Agent License. Any misleading or incorrect statements or omissions, whatsoever, including failure to disclose any criminal conviction, threatened or actual debarment, exclusion or other ineligibility notice for participation in gaming and/or gambling activities, may remove this Application from further consideration by the Commission and, if licensed, may cause such license issued by the Commission to be suspended or revoked. Such actions may also subject the Applicant to civil and criminal penalties.

FINANCIAL SOUNDNESS AND THREE YEAR BUSINESS PLAN

The Applicant must provide evidence of financial responsibility, stability, integrity and funding capability for performance of any License and must demonstrate the ability to finance the license fees, capital investment costs and business operation expenses necessary to support the video lottery gaming activities described in its Application submission. The Applicant specifically acknowledges and consents that the Commission may obtain a consumer credit report and any other financial reports deemed necessary in conjunction with its investigation. These reports may contain information bearing on the Applicant's credit worthiness, credit standing, and credit capacity.

If the person to whom a request for information is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, the Applicant hereby authorizes the Commission be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to the Applicant, including but not limited to past loan information, notes co-signed by the Applicant, checking account records, savings deposit records, safe deposit box records, and general ledger folio sheets.

The Applicant understands and acknowledges that it shall submit with its Video Lottery Sales Agent License Transfer of Ownership Application proof of financial responsibility, stability, and integrity acceptable to the Commission, including:

- a. If the Applicant is the subsidiary of a parent corporation, a statement by such Parent Corporation or parent entity; and
- b. Copies of audited financial statements for each of the Applicant's (and its Parent Corporation, or parent entity, if applicable) three (3) most recently ended fiscal years. If the Applicant is a joint venture or a group of affiliated companies, the information requested shall be provided with respect to each member or affiliate of such joint venture or group, as applicable. Label as **Exhibit 23**.
- c. Additional funding support documents (if necessary), supplementary to the financial statements highlighting the ability to fund the license fees, capital investment costs and business operation expenses necessary to support video lottery gaming (i.e. letter of credit, anticipated stock or bond offerings, venture capital sources, loans). Label as **Exhibit 24**.
- d. If the Applicant's current and former financial statements do not clearly reflect the anticipated forward going financial condition of the Applicant, the Applicant shall disseminate in writing how the Applicant anticipates the change in their financial position will allow them to finance and undertake the VLT gaming activities. Label as **Exhibit 25**.
- e. Most recent SEC 10K and 10Q filings. Label as **Exhibit 26**.



VIDEO LOTTERY SALES AGENT LICENSE

TRANSFER OF OWNERSHIP APPLICATION

State of Ohio • Ohio Lottery Commission • 615 West Superior Avenue • Cleveland, Ohio 44113-1879

Applicant must submit its proposed business plan, label as **Exhibit 27**, to construct and/or maintain a facility for video lottery gaming in the State of Ohio which will include pre-opening timeline, milestones, and costs. The plan shall include a three year projection of expected VLT gaming and other revenues, earnings objectives, and expenses. The business plan must indicate how capital investment costs will be expended and funded, detailed on an annual basis at the video lottery gaming facility. The Business Plan must include a functional table of organization for the Applicant.

The Applicant agrees that the Commission reserves the right to require any additional information necessary to determine the financial responsibility, stability, and integrity of the Applicant or Video Lottery Sales Agent. If an Applicant experiences a material change in its financial condition or control during the period prior to the approval of a Transfer of Ownership, or if the Video Lottery Sales Agent experiences a material change in its financial condition or control during the term of its License or any renewal thereof, the Commission must be notified of the change in writing at the time the change occurs or is identified. The Applicant acknowledges that failure to notify the Commission of such material change in financial condition will be sufficient grounds for denial of the Application or suspension or revocation of a License.

TERM

If the Director determines that Applicant meets the requirements for ownership of a Video Lottery Sales Agent License, the term of the existing license shall remain in effect with the existing expiration date. The Video Lottery Sales Agent License shall be subject to renewal as set forth in the Administrative Code.

A Video Lottery Sales Agent License is subject to suspension, modification, revocation or fines as authorized by the Lottery Act, rule, regulation, policy order or directive of the Commission or Lottery Director.

A License may be renewed in accordance with the applicable renewal procedures for a term established by Lottery Act or rule. Any renewal shall be subject to payment of a renewal fee in accordance with a payment schedule established by the Commission.

COMPENSATION AND ELECTRONIC FUNDS TRANSFER (EFT)

The relationship between the Commission and a Video Lottery Sales Agent is one of trust. A Video Lottery Sales Agent collects funds on behalf of the Commission through lottery sales for which a Video Lottery Sales Agent receives a commission. The Video Lottery Sales Agent shall be financially responsible to the Lottery for all revenues derived from video lottery gaming activities as recorded in the Video Lottery Central System.

Upon issuance of a License, a Video Lottery Sales Agent shall receive a commission in the amount of sixty-six point five percent (66.5%) of the video lottery terminal income. Funds available as unclaimed credit vouchers, as determined by the Director, shall be owed to the Commission in accordance with procedures established by the Director. As authorized by the Director, a Video Lottery Sales Agent may offer value credits to its video lottery gaming customers.

The Video Lottery Sales Agent shall promptly pay all monies due to the Lottery at the time designated by the Director via wire transfer unless another method of payment is specified and required by the Director. Delay or improper payment may result in the equipment being deactivated, the Video Lottery Sales Agent being fined and/or cancellation of the License, as determined by the Director. The Applicant must submit, as **Exhibit 28**, a completed **EFT/Wire Transfer Authorization** and a completed **Federal W-9**.

The Video Lottery Sales Agent must notify the Lottery at least fourteen (14) days in advance of any decision to close or change the location of the established Bank Account in which the Video Lottery Sales Agent deposits monies due the Lottery.

FACILITY OPERATIONS

Video Lottery Sales Agents shall make their licensed facilities available for video lottery gaming twenty-four hours per day, seven days per week, unless otherwise approved by the Lottery Director.

A determination regarding the number of video lottery terminals shall be governed by the Administrative Rules of the Ohio Lottery Commission.

A copy of the certificate of occupancy demonstrating that the entire premises operated by the Video Lottery Sales Agent, including those areas where video lottery gaming will not be conducted, is in compliance with all state and local fire, health, building and safety codes shall be furnished to the Lottery no later than fourteen days prior to the commencement of video lottery gaming activities.

All licensed premises shall be maintained in an orderly, clean, first-class manner.

A video lottery sales agent agrees to be responsible for all of the costs associated with video lottery gaming at the licensed facility, including costs associated with supplying sufficient amount of paper or other media for credit vouchers to ensure continued availability of video lottery terminals and to be responsible for the loading and replenishment of paper dispensed from video lottery terminals located at the licensed facility.



FACILITIES AND CONSTRUCTION

Unless Applicant indicates that no changes will be made to the existing facility, Applicant shall submit draft conceptual facilities plans either in sketch and/or narrative form, of the proposed track including stalls/barns and dormitories and video lottery terminal facility, including the number of terminals deployed and proposed location of each video lottery terminal with this Application. Facility plans shall be labeled as **Exhibit 29**.

Each Video Lottery Sales Agent shall submit a proposed internal controls and security plan for video lottery gaming activities at such time as requested by the Director prior to commencement of video lottery gaming activities.

The Video Lottery Sales Agent shall submit the following information: a detailed description of the proposed changes to the interior and exterior of the buildings, fixtures, equipment, facilities-related preparation, and grounds at the facilities, including any proposed temporary facilities; a detailed description of the interior and exterior of the proposed video lottery gaming facility site; the proposed construction program, including the estimated construction time and anticipated date of opening, the status of all required governmental and regulatory approvals and any conditions thereto; and the project budget.

At the conclusion of construction, a Video Lottery Sales Agent shall submit as-built drawings.

Applicant agrees to make up to \$150 million in capital investments as set forth in section 3770:2-12 of the Administrative Code, of which \$7.5 Million must be dedicated to the track facility including stalls/barns and dormitories. The business plan, **Exhibit 27**, must indicate how capital investment costs to the track and video lottery gaming facility will be expended and funded, detailed on an annual basis at the track including stalls/barns and dormitories and video lottery gaming facility. Documentation evidencing the expenditure of funds for such capital investments shall be provided to the Lottery Director in a form satisfactory to and as determined by the Lottery Director. The video lottery sales agent is responsible for maintaining and repairing the video lottery gaming facilities on an ongoing basis.

The Video Lottery Sales Agent shall make available, free of charge, such space at the licensed premises necessary to securely house equipment and personnel as determined by the Lottery.

EMPLOYMENT

Each Video Lottery Sales Agent shall hire and compensate a sufficient number of personnel to ensure compliance with all provisions of Ohio Revised Code Chapter 3770, Ohio Administrative Code, rules and regulations including audit, financial, operations, surveillance and security personnel to protect, secure and operate the equipment, buildings and grounds of the facilities at which video lottery gaming activities will occur. All key gaming employees and gaming employees, as determined by the Lottery Director, shall be licensed in a manner approved by the Lottery Director in accordance with Section 3770:2-4 of the Administrative Code. The business plan, **Exhibit 27**, shall include a functional table of organization for the Applicant. Prior to opening, the video lottery sales agent shall update the table organization to include the names of key gaming and gaming employees. For purposes of identifying key gaming employees, the Lottery requires position descriptions for all management level employees.

BONDING AND INSURANCE

Within the time specified by the Director, a Video Lottery Sales Agent must, in a form acceptable to the Director, obtain a dedicated non-revocable letter of credit, a surety bond, financial guarantee, cash deposit or other alternative form of credit approved by the Director in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to ensure payment to the Commission. The amount is subject to adjustment based upon VLT gross gaming revenue or revenue estimates.

All required bonds and insurance must be issued by companies duly licensed, admitted and authorized to do business in the state of Ohio. Required coverage must remain in effect throughout the term of the License, unless otherwise noted herein or authorized by the Director. All certificates of insurance and bonds required hereunder shall name the Lottery and the state of Ohio as additional insureds and loss payees. The original bond must be submitted to the Lottery. A Video Lottery Sales Agent must notify the Lottery in writing at least thirty (30) days prior to the cancellation or non-renewal of any insurance policy or bond required for video lottery gaming. In the event of cancellation or non-renewal, the Video Lottery Sales Agent agrees to immediately replace the insurance policy or bond. All insurance must provide coverage for all claims arising from video lottery gaming authorized by the License regardless of the date of the claim. Unless otherwise waived or modified by the Director, a Video Lottery Sales Agent shall maintain the following coverage:

- 1). The Video Lottery Sales Agent must maintain insurance on all buildings, furniture, fixtures, computer and communications equipment used in supporting video lottery gaming activities in an amount equal to or greater than the actual replacement cost thereof. Coverage must also include an all risk Property Floater to insure personal property including contents, equipment and mobile items against fire, theft, collision, flood, etc.
- 2). Video Lottery Sales Agent shall maintain Comprehensive General Liability and Property Damages Insurance with limits of not less than \$50 million dollars per occurrence for bodily injury and property damage.
- 3). Video Lottery Sales Agent shall obtain and maintain Director and Officer (D&O) Legal Liability Insurance in an amount of at least \$10 million.
- 4). Video Lottery Sales Agent shall maintain Cyber Liability Insurance of not less than \$10 million dollars per occurrence or claim.
- 5). Video Lottery Sales Agent shall maintain any additional coverage required under Ohio law.



The effective dates of any required insurance and bonds will be determined by the Director and communicated by the Lottery to Applicant at the time the Director issues its notice of intent to issue a Temporary Video Lottery Sales Agent License or Video Lottery Sales Agent License, or at such other times as determined by the Director.

PAYMENT OF PRIZES

Video Lottery Sales Agent agrees to issue payments to winning video lottery gaming participants and to withhold, as required, all applicable taxes, debts and other obligations and to provide all reporting forms. Payment and withholding shall be in accordance with procedures established by the Director. The Lottery and the State of Ohio are not responsible for or liable for payment of any video lottery prize winnings.

Video Lottery Sales Agent agrees to comply with Title 31, the Bank Secrecy Act, concerning the reporting of cash transactions.

INDEMNIFICATION

In addition to and not in limitation of any other obligation of the Applicant/Video Lottery Sales Agent, the Applicant/Video Lottery Sales Agent agrees to save, defend, indemnify and hold harmless the Ohio Lottery Commission, its Commissioners, Director, employees, agents, and the State of Ohio from and against any and all charges, obligations, demands, claims, damages, losses, recoveries, judgments costs, expenses (including reasonable attorney fees), or liability of any kind whatsoever including, but not limited to, consequential, exemplary, special, indirect, incidental or punitive damages, loss of profit or loss of business opportunity including reasonable attorneys' fees arising out of or relating in any way to Applicant/Video lottery sales agent's acts or omissions, including infringement, in the conduct of any video lottery gaming activities. Any defense undertaken on behalf of any indemnitee hereunder shall be in cooperation with the Ohio Attorney General.

EQUIPMENT OPERATION AND MAINTENANCE

A video lottery terminal may not be placed into service at a video lottery gaming facility unless the following requirements are met:

1. The manufacturer is licensed by the Lottery;
2. The video lottery terminal hardware has passed appropriate testing;
3. The video lottery terminal is compatible with the central monitoring system and the G2S communication protocol controlled by the Lottery. Any additional hardware or software to accomplish this is the responsibility of the manufacturer and/or Video Lottery Sales Agent;
4. The game software has been approved by a test lab licensed by the Lottery;
5. The game theme, type, and prize structure has been approved by the lottery Commission under game rule 3770:2-10-60.

The Video Lottery Sales Agent shall facilitate the service, cleaning and maintenance of the video lottery terminals. In addition to any reports that may be required to be provided by manufacturer or distributors of video lottery terminals, Video Lottery Sales Agents shall provide reports regarding maintenance, service and repairs to video lottery terminals. Any machines or equipment needed to facilitate prize redemption shall be provided and maintained by the Video Lottery Sales Agent.

RECORDS, AUDITS AND INSPECTIONS

Applicant acknowledges that the Auditor of the State and/or the Lottery may examine all records, files, and other documents, including but not limited to electronic, paper and computer records, files and other documents, of the Video Lottery Sales Agent as they pertain to its video lottery gaming activities. Each Applicant and Video Lottery Sales Agent agrees to provide all records, files and other documents as may be requested to conduct an audit of video lottery gaming activities. Video Lottery Sales Agents shall maintain all such records, files and other documents complete and up to date and such records, files and other documents shall be maintained for five years unless otherwise approved by the Director. Further, the Video Lottery Sales Agent shall allow inspections of the licensed premises at any time by the Director or his designee and such inspections may be made without prior notice to Video Lottery Sales Agent.

Applicant acknowledges that the lottery may examine any records related to contracts regarding video lottery gaming activities, facilities, and construction thereon. The Video Lottery Sales Agent must maintain a list of vendors and the goods/services provided for inspection by the Lottery.

GAME PLAY RESTRICTIONS

Video lottery participants must be of legal age. The following are precluded from playing or redeeming prizes for video lottery games: an officer or employee of the Lottery Commission; any officer or employee of the Auditor of State actively coordinating and certifying video lottery gaming; and the immediate family, or any principal, partner, officer, director, or key gaming employee employed by the Video Lottery Sales Agent to assist with or handle video lottery gaming activities.



ADVERTISING AND PROMOTION

The Director may prohibit Video Lottery Sales Agents from engaging in certain advertising and promotions deemed inappropriate by the Director. Video Lottery Sales Agents agree to be bound by the decision of the Director relating to advertising and promotions. The Director may initiate advertising and promotional programs relating to video lottery gaming and may provide promotional materials to the Video Lottery Sales Agents.

RESPONSIBLE GAMING

Video Lottery Sales Agent shall establish and maintain a responsible gaming program within ninety days of the commencement of video lottery gaming activities. Such program is subject to review, approval and revision by the Director. At a minimum, the program must include the following: announcements and displays encouraging responsible gaming; posting of information at the facility and on the Video Lottery Sales Agent's website regarding problem gambling assistance for video lottery customers, including hotlines and availability of self-exclusion lists; procedures for handling requests to be added to a self-exclusion list; and Video Lottery Sales Agent's employee training regarding the Video Lottery Sales Agent's responsible gaming program.

PROHIBITION

Neither the Applicant/Video Lottery Sales Agent nor any person, on behalf of Video Lottery Sales Agent 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 Temporary Video Lottery Sales Agent License or Video Lottery Sales Agent License or any contracts related to said licenses.

DENIAL OF LICENSE

If after a full review of an Application and consideration of any other factors deemed relevant to the efficient and proper administration of video lottery gaming, the Director determines that an Applicant has not met the requirements for issuance of a Video Lottery Sales Agent License, or Transfer of Ownership of a Video Lottery Sales Agent License, or has not supplied sufficient information to allow the Director to determine if the requirements for issuance of a License have been met, the Director may deny the Application, or may request that the Application be revised for further consideration. When required to do so by the Administrative Procedure Act, the Director shall afford a hearing to an Applicant. Any such hearings shall comply with the requirements for adjudication hearings set forth in the Administrative Procedure Act.

GROUNDINGS FOR SUSPENSION, CANCELLATION, OR REVOCATION OF A VIDEO LOTTERY SALES AGENT LICENSE

The Video Lottery Sales Agent acknowledges the authority of the Director, subject to Chapter 119 of the Revised Code to suspend, cancel or revoke the license of any Video Lottery Sales Agent as set forth in section 3770:2-3-05 of the Administrative Code.

Any suspension or revocation may be in addition to or in lieu of the imposition of a fine under section 3770:2-3-06 of the Administrative Code. When required to do so by the Administrative Procedure Act, the Director shall afford a hearing to the Video Lottery Sales Agent affected by an order to suspend, revoke or cancel a License. Such hearing shall comply with the requirements for adjudication hearings set forth in the Administrative Procedure Act.

If a License is revoked, a Video Lottery Sales Agent may reapply, but any subsequent application shall require submission of a new application, and shall only be submitted after any waiting period for reapplication, if any, established by the Director, has expired.

CHANGE IN FINANCIAL CONDITION OR OWNERSHIP

During the term of the license, the video lottery sales agent must immediately notify the Director in writing of the following:

1. changes in financial condition that have impacted the going concern of the Video Lottery Sales Agent operations; and,
2. changes in control or ownership which meet the disclosure thresholds in this application.

Failure to notify the Director of such material change in financial condition, control or ownership may be grounds for revoking the license. Notwithstanding any applicable bankruptcy laws to the contrary, all licensing fees and revenues generated pursuant to this License are property of the State of Ohio.

ASSIGNMENT

A License may not be assigned or transferred without submission of an application in accordance with sections 3770:2-3-01 and 3770:2-3-03 of the Administrative Code and the prior written approval of the Director. Upon request of an Applicant, the Director may waive requirements set forth in 3770:2-3-01, as deemed appropriate.

**WAIVER AND RELEASE**

The Lottery will not affirmatively disclose information provided to the Lottery by Applicant and designated as confidential except where disclosure is required by law, legal process, or by a final ruling of a court of competent jurisdiction, pursuant to the laws of the State of Ohio or the United States of America, or if such information has been made public by a third party.

The Applicant understands and acknowledges that certain documents and records may contain negative and or confidential information about the Applicant. Applicant accepts the risk of any embarrassment, criticism, financial loss, or other adverse consequence which may result from the review or release of information in the application packet. In consideration of the Lottery's review of the Application, the Applicant, for itself and its agents, employees, trustees, directors, administrators, affiliates, subsidiaries, successors and assigns hereby waives any claims it or they may now or hereafter have against the Lottery, its Commissioners, Director, employees, agents or the state of Ohio (hereinafter Released Parties) and hereby releases and forever discharges the Released Parties in their personal, and/or official capacities of and from all charges, claims, liabilities, obligations, demands, controversies, damages, costs, fees, expenses (including any claim for attorney's fees), actions and causes of action of any kind, but excluding any of the forgoing arising from the willful or wanton misconduct of the Released Parties, which it or they may now or hereafter have arising from or related to the disclosure of information submitted or obtained in the Application review process or arising from the investigation of the background of the Applicant, its principals and key gaming employees and from the review of the application package.

APPLICANT'S STATEMENT & CERTIFICATION

The Applicant authorizes the investigations of any and all statements contained in this Acknowledgement as well as the Applicant's Video Lottery Sales Agent License Transfer of Ownership Application as may be necessary in arriving at a licensing decision. The Applicant certifies that the information given in this Application is an accurate statement of facts about the Applicant, and its principals. By signing this document, Applicant acknowledges the Applicant's awareness that any false or misleading statements, omissions, or failure to disclose information may disqualify the Application.

The Applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the Applicant. The Applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to its Application.

The Applicant understands that the Application is not intended to be a License. If after a full review of an application and consideration of any other factors deemed relevant to the efficient and proper administration of video lottery gaming, the Director determines that Applicant has met the requirements for Transfer of Ownership of a License, the Director may allow the Transfer of Ownership, which if allowed shall be deemed to incorporate, the terms and conditions contained herein, as supplemented, amended or revised, and shall be subject to Chapter 3770 of the Revised Code and Division 3770:2 of the Administrative Code, but shall remain subject to suspension, revocation, and termination.

**TRANSFER OF OWNERSHIP APPLICATION****STATEMENT & CERTIFICATION SIGNATURES**

| | |
|--|---|
| PRINT NAME OF APPLICANT OR DESIGNATE REPRESENTATIVE OR SIGNATORY | TITLE |
| APPLICANT SIGNATURE | DATE |
| PRINT NAME OF CHIEF EXECUTIVE OFFICER | TITLE CHIEF EXECUTIVE OFFICER |
| CHIEF EXECUTIVE OFFICER SIGNATURE | DATE |

NOTARY

The undersigned, a Notary Public in and for the County of _____, in the State of _____, certifies that the above named individuals appeared in person, for and behalf of himself/herself and the Applicant, and before me, either known to me or satisfactorily proven to be the individuals whose name subscribed to the within instrument and signed the Authorization and Notification for and on behalf of himself/herself and the Applicant.

This _____ day of _____, 20_____, and to which witness my hand and seal.

Notary Public _____

Stamp or Seal

Printed Name _____

My Commission expires _____, 20_____

**TRANSFER OF OWNERSHIP APPLICATION****APPLICATION CHECKLIST - VIDEO LOTTERY SALES AGENT LICENSE APPLICATION**

Use the following list to indicate with an X the exhibits that are attached with this Application. All attachments are **Mandatory** and need to be submitted. If a question, exhibit or addendum is not applicable, indicate "**Not Applicable**" and **state why it is not applicable in the exhibit**.

| EXHIBIT NUMBER | EXHIBIT DESCRIPTION | MARK IF ATTACHED |
|-------------------|---|--------------------------|
| 1(A) | Incorporators/Founders and copy of Articles of Incorporation | <input type="checkbox"/> |
| 1(B) | Current Addresses of Applicant | <input type="checkbox"/> |
| 1(C) | Other names and addresses of the applicant | <input type="checkbox"/> |
| 1(D) | All businesses operated by the Applicant | <input type="checkbox"/> |
| 1(E) | All holding, intermediary companies, subsidiaries, affiliates or other business type entities | <input type="checkbox"/> |
| 1(F) | Table of Organization/Ownership | <input type="checkbox"/> |
| 2 | Current Principals | <input type="checkbox"/> |
| 3 | Compensation over \$150,000 | <input type="checkbox"/> |
| 4 | Bonus, profit sharing, pension, retirement, deferred compensation and similar plans | <input type="checkbox"/> |
| 5 | Stock Description | <input type="checkbox"/> |
| 6 | Voting and Non-Voting shareholders/Members | <input type="checkbox"/> |
| 7 | Interest of Current Partners | <input type="checkbox"/> |
| 8 | Holders and Extent of Long Term Debt | <input type="checkbox"/> |
| 9 | Holder and Type of Other indebtedness and security devices | <input type="checkbox"/> |
| 10 | Securities options – description | <input type="checkbox"/> |
| 11 | Beneficial Owners of options | <input type="checkbox"/> |
| 12 | Principals not yet disclosed | <input type="checkbox"/> |
| 13 | Financial institutions | <input type="checkbox"/> |
| 14 | Applicant's Stock Holdings | <input type="checkbox"/> |
| 15 | Criminal History and Authorization to Release Criminal Record | <input type="checkbox"/> |
| 16 | Investigation, Testimony, or Polygraphs | <input type="checkbox"/> |
| 17 | Existing and Past Litigation | <input type="checkbox"/> |
| 18 | Antitrust, trade regulation and securities judgments; statutory and regulatory violations | <input type="checkbox"/> |
| 19 | Bankruptcy or insolvency proceedings | <input type="checkbox"/> |
| 20 | Licenses | <input type="checkbox"/> |
| 21 | Contribution and Disbursements | <input type="checkbox"/> |
| 22 | Applicant's authorization to release information | <input type="checkbox"/> |
| 23 | Audited Financial Statements | <input type="checkbox"/> |
| 24 | Additional Funding Support Documents | <input type="checkbox"/> |
| 25 | Financial Position Discussion | <input type="checkbox"/> |
| 26 | SEC filings | <input type="checkbox"/> |
| 27 | Business Plan | <input type="checkbox"/> |
| 28 | EFT/Wire Transfer Authorization and W-9 | <input type="checkbox"/> |
| 29 | Facility Plan | <input type="checkbox"/> |

Initials: _____