Corporate Retailer Application
(Five or More Locations)
Renewal Packet Checklist

Please make sure you've done the following before mailing the packet back to us.

1 _____ **Include**: A copy of the driver's license of the person who signed Schedule A, Section 9 (Authorized Representative)

2 _____ **List**: All Owners, Directors, Members or Member Mangers on Schedule A, Section 3 (Additional owners use Schedule C)

3 _____ **Fully Complete**: The Office Street and Mailing Addresses on Schedule A, Section 1 & Schedule B, Section 1

4 _____ **Sign**: Schedule A, Section 9 (Authorized Representative & Print Name)

5 _____ **Sign**: Schedule B, Section 4 (Authorized Representative or Operational Manager & Print Name)

6 _____ **Sign & Notarize**: The SCEL Contract (Page 18 of the Contract must be signed by an Authorized Representative)

7 _____ **Provide**: Any additional information regarding any changes that have occurred in order to complete the renewal process

8 _____ **Mail Back**: The entire Application - Schedule A1, A2, B, C, and all 12 pages of the Contract along with the Signed and Notarized Contract inside the return envelope provided

Please fill the renewal application out completely and correctly.
Please sign the application & contract.
Failure to do so may result in the deactivation of your lottery terminal.

Thank you for being a SC Education Lottery (SCEL) Retailer. According to the SC statute, your Lottery license is to be renewed annually. Enclosed is the renewal application with the company name, retail location and retailer number filled-in. Please make corrections if necessary and fill in the other portions. We will use all information to perform various verifications which are required by law.

We cannot process the application if any portion is incomplete or if the contract is not signed and returned.

Processing your renewal application involves the following steps.

1. **Pre-Screen the Application and Contract**
   - Your application and contract are reviewed for completeness and accuracy.
   - If any portion is not filled in or it is not signed correctly, we will notify you so you can make the correction(s).
   - If the business is a Sole Proprietorship business type, the person who is the sole proprietor must sign Schedule A and the Retailer Contract.
2. **Draft the Renewal Fee**
   - When we complete your renewal application, you will see a line item on your weekly invoice to let you know when your lottery account will be drafted.
     a. $135 is drafted if you have a MicroLot® terminal.
3. **Verify Compliance with the Department of Revenue (DOR)**
   - The Department of Revenue provides us with a compliance report.
   - If DOR does not have a copy of your tax returns/payments, we will notify you and give you time to resolve the issue with DOR. You must request that DOR notify the lottery when the issues have been resolved.
4. **Verify Background Check with SLED**
   - You will be notified if any owner or operational manager fails the background check. Failure to list all owners violates the contract.
5. **Check 60/40 Sales Compliance**
   - You will be notified if more than 60% of your overall business sales come from lottery sales for this retail sales location.
   - If so, your business location will no longer be able to sell lottery tickets. See SC statute Section 59-150-150(B)(2) for more information.

SC Education Lottery Licenses are not transferable.

If you have already sold the business, or if you are "planning" to sell the business, please let us know. If you have questions, please contact the Licensing division's toll free number which is 1-866-737-7235. Our mailing address is:

South Carolina Education Lottery (SCEL)
Attention: Licensing Department
PO Box 11949
Columbia, SC 29211-1949

Filling out the application completely and correctly will help us process the application smoothly. Thank you for your cooperation.

APPLICATION INSTRUCTIONS -------- SCHEDULE A

GENERAL INSTRUCTIONS - Please read each question carefully. **Information requested on Schedule A pertains to the business entity that owns the location(s) for which you are seeking a new or renewed license.** The form does not apply to the specific retail outlets for which you are applying. If you need additional forms, call the South Carolina Education Lottery Licensing Department at 1-803-737-2091 or toll free at 1-866-737-7235.

SECTION 1. COMPANY NAME / LEGAL ENTITY / SOLE PROPRIETOR

- ☒ If you filed your business with the IRS as a Sole Proprietorship, please write your personal name in this section of the application.
- ☒ If you filed your business with the IRS as a Partnership, LLC, Corp, etc, please write the full name of that business or company name because there are many companies with similar names. ***Please do not write the name of the STORE location in this section.*** Write the name of the **COMPANY** that **owns** the retail location.
- ☒ The name you submit should be the same name you submit when you file taxes for this business. If you are not sure of the name, call the Department of Revenue (DOR) at 803-898-5500 to get the correct name of your business as it is listed with the DOR.
- ☒ Please fill in the address where you want your mail delivered.
- ☒ **FAILURE** ***to write the correct, complete information will delay the processing of your application.***

SECTION 2. TYPE OF OWNERSHIP

There are several different types of business classifications. When you established your business with the South Carolina Secretary of State's office, or when you file your taxes, your business may have filed as one of these business types: Sole Proprietorship, Partnership, Limited Partnership, Limited Liability Company, Limited Liability Corporation, Corporation, or Unincorporated Association.

- ☒ If your business is a Sole Proprietorship, mark the check box for a Sole Proprietorship and enter your Social Security Number (SSN). ***Do not*** enter a Federal Employee ID (FEI) or Employee Identification Number (EIN).

  SCEL collects ***personal identifying information*** from personnel (employees, officers, directors, partners, shareholders, members of LLCs, etc.) of a lottery applicant for verification purposes associated with licensure and thereafter during the business relationship of the Parties. For purposes of this paragraph, Applicant includes but is not limited to the individuals associated with the Applicant described in the preceding sentences. Personal identifying information includes, but is not limited to, social security numbers, driver's license numbers, banking account numbers, personal identification numbers, electronic identification numbers, and/or any other data. ***By submitting this application, Applicant expressly and irrevocably authorizes SCEL, its agents, including, but not limited to, any state agency facilitating SCEL, to use his, her, or its personal identifying information for criminal background checks, credit history checks, S.C. Department of Revenue tax compliance and sales tax reviews. Further, by submitting this application, Applicant expressly releases and holds harmless SCEL, its agents, including, but not limited to, any state agency facilitating SCEL, from any and all claims which may arise from the use of personal identifying information contemplated under this paragraph.***

- ☒ If your business is one of the other business types, mark the check box for the appropriate business type, and enter your FEI or EIN.
- ☒ If your business is incorporated, but you are the only person in the corporation, please check the Corporation box since your business is incorporated with the State of South Carolina.
- ☒ Please check only one box in this Section.
- ☒ NOTE: During the application process, the SSN/FEI/EIN is used to verify that all tax returns have been filed and all payments are current.
- ☒ **FAILURE** ***to write the correct information or failure to file properly and timely will delay the processing of your application.***

SECTION 3. OWNER INFORMATION

Enter the name, company title, date of birth, sex, and SSN for ***all*** people who are owners, partners, members, directors, officers, etc.

Use Schedule C to list additional people or attach additional sheets containing this information. Do not list a person who is only an employee.

- ☒ **Sole Proprietorship:** List one name only for the person who is the sole owner of the business.
- ☒ **Partnership, Limited or Limited Liability Partnership:** List ***all*** partners, irrespective of amount of interest held in the business.
- ☒ **Limited Liability Corporation:** List ***all*** people who are members and/or member-managers.
- ☒ **Corporation:** List ***all*** officers, ***all*** directors, and ***all*** shareholders with 10% or more ownership interest.
- ☒ **FAILURE** ***to write the correct, complete information will delay the processing of your application.***

SECTION 4.

If the headquarters of the business is located outside of the state of South Carolina, enter the name, Social Security number, gender, date of birth, phone number, and mailing address of the highest-ranking employee of the business who is a resident of South Carolina.

- ☒ ***If the operational manager listed on Schedule B is a South Carolina resident, you may skip this section.***

SECTION 5. QUESTIONS ABOUT THE OWNERS

Answer each question by checking the appropriate "yes" or "no" box. If you answer "yes" to any of these questions, please provide a detailed explanation of the circumstances surrounding the situation on Schedule C. Failure to provide an explanation results in delays in processing your application.

Section 5i – A "deferred presentment services" business, one which involves activities in exchange for a fee whereupon the business accepts a check dated on the date it was written and holds the check for a period of time before presentment for payment or deposit, may not conduct any other business at that location. If any owner holds a license for this service, please indicate the name of that person on a line on Schedule C and mark it as Question 5i.

SECTION 6. MINORITY STATUS
If the applicant is a U. S. Small and Minority Business, please indicate minority type. This information is not required, but will be used for statistical purposes.

SECTION 7. BACKUP WITHHOLDING
If the Internal Revenue Service (IRS) requires you or your legal entity to make payments under certain conditions because the business is subject to backup withholding, please respond by checking "Yes." **If you are not sure if you are subject to backup withholding, check your records to see if you have a letter from the Internal Revenue Service notifying you of the terms and conditions for backup withholding.**

SECTION 8. APPLICATION CONTACT INFORMATION
If the lottery has any questions about your application, we will contact the person listed in this section. Please include the phone number and FAX number (if available), where the person is most likely to be reached during normal working hours.

SECTION 9. CERTIFICATION AND SIGNATURE
Read this section carefully. A person who has authority to act on behalf of the business must sign it. If the business type is a Sole Proprietorship, the Sole Proprietor is the only person authorized to sign it. Please include driver's license number and a photo copy of the authorizing person's driver's license.

APPLICATION INSTRUCTIONS -------- SCHEDULE B

GENERAL INSTRUCTIONS - Please read each section carefully. **The information requested on Schedule B pertains to each location for which you are seeking a new or renewed license.** Each location must have a separate license. Therefore, please fill out one Schedule B for each location for which you are applying. If you need additional forms, call the SCEL Licensing Dept. at 1-803-737-2091 or toll free at 1-866-737-7235.

Who should fill out this form?

- ☒ **The Owner or the Operational Manager (person responsible for the day-to-day operations of the retail outlet) for that specific location should complete and sign the form.**

SECTION 1. RETAIL LOCATION INFORMATION

- ☒ Indicate the name (location name, store name, trade name, or DBA) of the actual retail location. List the store number, if applicable.
- ☒ Indicate the physical street address of the business used for 911 emergencies, mailing address (if it is different from the street address), and county. A correct address is essential for deliveries of instant tickets.
  - NOTE: Do not enter a PO Box or rural address or an address shared by other businesses with a different name. It makes delivery of correspondence, license, or tickets difficult, and it causes penalties when mail carriers (UPS, etc.) cannot deliver based on incorrect information.
- ☒ Indicate the phone number and the fax number (if applicable) for the location.
- ☒ Indicate your SC Retail Business License Number.
- ☒ Also, make a copy of your SC Retail License and send it in with your application. The information contained on this document helps us with our verification process.
- ☒ **FAILURE** ***to write the correct information will delay the processing of your application.***

SECTION 2. Renewing Retailers can skip this section.
If applying for this location for the first time:

- ☒ Enter your normal business hours and if you are closed on any day, write CLOSED.
- ☒ Include a copy of the SC Department of Revenue Business Retail License.
- ☒ If this location previously sold lottery tickets and you have purchased or leased it enclose a copy of the bill of sale or lease agreement.

SECTION 3. 60/40 SALES CALCULATION (Applies to Renewal Applications Only)
The S.C. Lottery Act and ensuing regulation provides that an applicant for a lottery license **may not** be approved if:

- ☒ The business is to be solely engaged in the sale of lottery products.
- ☒ The sale of lottery tickets cannot exceed 60% of the gross revenue of the business.
- ☒ ***Please note that during the processing of renewal applications, this percentage is verified for compliance.***

SECTION 4. QUESTIONS ABOUT THE OPERATIONAL MANAGER
The questions in this section pertain to the Operational Manager. If any question results in a "yes" answer, you must submit a complete explanation of the circumstances surrounding the situation on Schedule C. Enter the name of the person who is responsible for the day-to-day operation of the retail location. This person may be the owner or Sole Proprietor. This individual will be required to undergo a criminal background investigation. The Operational Manager is the employee who:

- ☒ Has responsibility for day-to-day operational management of the business (retail) location.
- ☒ Is designated by the owner as the employee responsible and accountable for the overall supervision of the lottery operation for the applicant that is seeking licensure for one or more retail locations.

- ☒ Has decision-making authority for transactions dealing with the Lottery including but not limited to the authority for placing ticket orders or the authority to designate the employees to transact business with the Lottery.

APPLICATION FEE

New Applications

- ☒ Please enclose a check or money order (***DO NOT SEND CASH)*** for $210 for each retail location application.
- ☒ If your license is not approved, $75 per location is refundable if the verifications have already been completed for taxes and the criminal background investigation.
- ☒ If the application is withdrawn before the verifications at the DOR and at SLED are performed, a full refund will be due the applicant.

Renewal Applications

- ☒ Please DO NOT enclose a check or money order.
- ☒ Your account will be drafted when your renewal is completed.
  - $135 for each retail location that has a MicroLot® lottery terminal.

APPLICATION INSTRUCTIONS -------- SCHEDULE C

ADDITIONAL INFORMATION AND CHANGE OF OWNERSHIP INFORMATION

Use the top portion of this form to provide detailed explanations to any question that resulted in a "yes" answer on Schedule A page 2, or Schedule B or to list additional owners from Schedule A page 1. Please be sure to indicate the schedule and item or question number for which you are providing an explanation or additional information. Use the second section of this form if the business ownership or business structure type changed.

Effective February 7, 2024, Dolly J. Garfield is the Executive Director of the South Carolina Education Lottery.

Fill Out This Section

SCEL Retailer License Application

Schedule A – Page 1 - Owner Information

South Carolina Education Lottery

Step 1: ***ATTENTION:*** ***Renewal forms are pre-printed (make corrections as necessary). Please type or print Information clearly using a pen.***

Application Type

- ☐ New License
- ☐ Renewal License
- ☐ Changing Owners

If renewing, has the Business type or ownership changed since the last renewal? If yes, fill out Sched. C Sec 2. ☐ YES ☐ NO

When filing taxes for this business with the IRS, what's the Owner/Company name filed under? *If the business "type" is a Sole Proprietorship, write your personal name here, otherwise, write the name of the company here.*

Company Name/ Sole Proprietor **(Do not place the store name here. Place the store on Schedule B.)**

1

OWNER'S / COMPANY **OFFICE STREET** ADDRESS		OWNER'S **MAILING** ADDRESS	
CITY	COUNTY	CITY	COUNTY
STATE	ZIP	STATE	ZIP
COMPANY PHONE NUMBER & EXT		FAX NUMBER	CELL PHONE

Step 2: ***When you registered the business with the State of SC, what "business type" did you select? (Check one)***

2

☐ LIMITED LIABILITY COMPANY NOTE: If LLC, how did you file taxes? (check one box) ☐ Schedule C ☐ Partnership ☐ S-Corp or C-Corp	☐ CORPORATION ☐ PARTNERSHIP ☐ LIMITED PARTNERSHIP ☐ LIMITED LIABILITY PARTNER ☐ UNINCORPORATED ASSOC.	TAX ID, Fed ID, Or Empl. ID ☐☐-☐☐☐☐☐☐☐
☐ SOLE PROPRIETORSHIP	*IF SOLE PROPRIETORSHIP, ENTER YOUR SOCIAL SECURITY NUMBER*	☐☐☐-☐☐-☐☐☐☐

3

Step 3: ***List "all" owners, partners, etc., associated with the business.***

NOTE: **FAILURE** to list all owners may be grounds for denial or revocation of license. ***Use Schedule C to list additional owners.***

- **Partnership, Limited Partnership, or Limited Liability Partnership:** List all partners and limited partners irrespective of the amount of interest held in the partnership.
- **Corporation:** List all officers and all directors. List all shareholders with 10% or more ownership interest.
- **Limited Liability Corporation:** List all members and/or member-managers.
- **Sole Proprietorship:** List the sole person who owns the business.

This section must be completed.

FIRST NAME	MIDDLE NAME	LAST NAME	MAIDEN NAME	BUSINESS TITLE

SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐ DATE OF BIRTH MONTH ☐☐ DAY ☐☐ YEAR ☐☐ CHECK ONE MALE ☐ FEMALE ☐

FIRST NAME	MIDDLE NAME	LAST NAME	MAIDEN NAME	BUSINESS TITLE

SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐ DATE OF BIRTH MONTH ☐☐ DAY ☐☐ YEAR ☐☐ CHECK ONE MALE ☐ FEMALE ☐

FIRST NAME	MIDDLE NAME	LAST NAME	MAIDEN NAME	BUSINESS TITLE

SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐ DATE OF BIRTH MONTH ☐☐ DAY ☐☐ YEAR ☐☐ CHECK ONE MALE ☐ FEMALE ☐

4

Step 4: ***Is the headquarters of the business located outside of South Carolina? If so, please fill out this section (Section 4)***

IF THE LEGAL ENTITY IS HEADQUARTERED OUTSIDE OF SOUTH CAROLINA OR IF THE BUSINESS IS NOT ORGANIZED PURSUANT TO SOUTH CAROLINA LAW, PER SCEL REGULATION, THE APPLICANT MUST IDENTIFY THE HIGHEST RANKING EMPLOYEE OF THE BUSINESS WHO IS A SOUTH CAROLINA RESIDENT. THIS PERSON MAY, BUT IS NOT REQUIRED TO ALSO ACT AS OPERATIONAL MANAGER. THIS PERSON MUST UNDERGO A CRIMINAL BACKGROUND INVESTIGATION.

FIRST NAME	MIDDLE NAME	LAST NAME	PHONE NUMBER	BUSINESS TITLE

ADDRESS	CITY,	STATE	ZIP

SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐ DATE OF BIRTH MONTH ☐☐ DAY ☐☐ YEAR ☐☐ CHECK ONE MALE ☐ FEMALE ☐

Fill Out This Section

SCEL Retailer License Application

Schedule A – Page 2 - Owner Information

5

YES	NO	Step 5: These questions pertain to all persons listed in Sections 3 and 4. If you answer "yes" to any of the following questions, provide an explanation on Schedule C.
a. ☐	☐	Has any person listed in Section 3 or 4 been convicted of a criminal offense related to the security or integrity of the Lottery in this or another jurisdiction?
b. ☐	☐	Has any person listed in Section 3 or 4 been convicted of unlawful gambling activity, false statements, false swearing, or perjury in this or another jurisdiction?
c. ☐	☐	Has any person listed in Section 3 or 4 been convicted of a crime punishable by more than one year of imprisonment or a fine of more than one thousand dollars?
d. ☐	☐	Has any person listed in Section 3 or 4 been found to have violated the provisions of the Lottery Act or a regulation, policy or procedure of the South Carolina Education Lottery?
e. ☐	☐	Is any person listed in Section 3 or 4 a supplier of goods and services to the lottery or an employee or agent of a supplier who does business with the South Carolina Education Lottery?
f. ☐	☐	Is/Are the owner(s) under the age of twenty-one? If so, is the company business type a Sole Proprietorship? Yes or No?
g. ☐	☐	Has any person listed in Section 3 or 4 ever had a Lottery or gaming license revoked in any state?
h. ☐	☐	Has the entity or any person listed in Section 3 or 4 had a lottery license revoked/terminated in SC?
i. ☐	☐	Does any person listed in Section 3 hold a license under the South Carolina Deferred Presentment Services Act? If so, please provide the complete business address on Schedule C for each location.

6

Step 6: ***Is the applicant company a Small and Minority firm?*** Y ☐ N ☐ ***If yes, please check one of the boxes below.***

2☐Black **3**☐Asian **4**☐Hispanic **5**☐East Indian **6**☐Native Amer. **7**☐Caucasian Female **8**☐Other

To request information on Small and Minority Business certification, call 803-734-0657.

7

Step 7: ***Is the legal entity or company / sole proprietor subject to backup withholding? Yes ____ No ___***

Note: If you are not sure, call the IRS for clarification regarding whether the company is subject to backup withholding.
This form will serve as a W-9 form for this applicant if the applicant is subject to backup withholding.

8

APPLICATION CONTACT

Step 8: ***If SCEL has a question about your application, who should we contact for clarification?***

CONTACT NAME	PHONE NUMBER	CELL NUMBER	BUSINESS TITLE

9

APPLICANT (LEGAL ENTITY, COMPANY, AND SOLE PROPRIETOR) MUST BE CURRENT IN FILING ALL APPLICABLE S. C. STATE TAX RETURNS AND MUST BE CURRENT IN THE PAYMENT OF ALL STATE TAXES (INCLUDING INTEREST AND PENALTIES). THE DEPARTMENT OF REVENUE (DOR) IS RESPONSIBLE FOR REVIEWING TAX INFORMATION AND VERIFYING THAT ALL FILINGS AND TAXES ARE CURRENT. **A LOTTERY RETAIL SALES LICENSE WILL NOT BE ISSUED UNTIL DOR CERTIFIES THAT THE APPLICANT IS CURRENT.** THIS REQUIREMENT APPLIES TO THE LEGAL ENTITY AND DOES NOT APPLY TO THE OPERATIONAL MANAGER OR EMPLOYEES.

I hereby certify that I am authorized to act on behalf of the applicant. I certify that the information provided to the South Carolina Education Lottery (SCEL) is true and complete. I understand and agree that it is a violation of state law to make a statement of material fact to the SCEL knowing that the statement is false. I agree to be bound by the terms and conditions of my current retailer contract while this renewal application is pending. I authorize SCEL to investigate business and personal financial records, criminal history and any other matter pertaining to the authenticity of statements made in this application process; this authorization includes the use of personal identifying information for the purposes stated in this paragraph. I authorize the South Carolina Department of Revenue to release to the SCEL all information relating to all tax returns filed with the State of South Carolina relating to the payment of all taxes, interest and penalties owed to the State of South Carolina.

AUTHORIZED SIGNATURE: _____ **If the business is registered with the State as a Sole Proprietorship, then Sole owner must sign.**	PRINT NAME
BUSINESS TITLE	DRIVER'S LICENSE NUMBER
DATE	☐ **ATTACH COPY OF THE DRIVER'S LICENSE OF THE PERSON AUTHORIZED TO SIGN THIS DOCUMENT FOR THIS BUSINESS** (Required)

SCEL Retailer License Application

SCHEDULE B - Business Location Information

Step 1: Complete each section of the form for each business location applying for a license.

1

STORE / LOCATION NAME / D.B.A. NAME *(Must be the name as it is printed on the SC Retail Business License*				SC Ed. Lottery Number (Renewals Only)
STREET ADDRESS DO **NOT** USE a Post Office Box or Rural Route, but make sure you list ***the physical address assigned for 911 emergencies***.				
CITY	COUNTY	STATE **SC**	ZIP CODE	
STORE LOCATION PHONE & EXT (Area Code and Phone Number)	FAX NUMBER		CELL PHONE	
MAILING ADDRESS if different from Street Address *NOTE: Please ensure there is a mail box at this address since all correspondence will be sent to this address.*	MAILING ADDRESS		MAILING CITY, STATE , ZIP	
SC DOR RETAIL BUSINESS LICENSE NUMBER	☐ If you are applying for a new license, please attach a copy of the SC Dept of Revenue Retail Business license.			

2

Step 2 *for 1st time applicants only.* ***Skip section 2 if you are renewing.***	DAY	SUN	MON	TUE	WED	THU	FRI	SAT
2a. List the hours of operation.	OPEN --------- CLOSE	---------	---------	---------	---------	---------	---------	---------

2b. For New/COO if applying for a license for a store which previously sold lottery tickets, please attach a copy of the bill of sale or a copy of the lease agreement (signed and dated) indicating that you now own or are leasing this location.

3

Step 3: ***Information for Renewals Only*** ***60/40 SALES CALCULATION***

NOTE: Pursuant to Lottery Act Section 59-150-150(B)(2), **SCEL shall not license businesses whose lottery ticket sales exceed 60% of the gross business sales of the retail location for the previous 12 months**. In most cases, information obtained from the South Carolina Department of Revenue (DOR) will determine compliance with this requirement. However, if this information cannot be obtained from DOR, SCEL will contact you for additional information.

4

Step 4: ***List the Operational Manager who is responsible for day-to-day operations FOR THIS LOCATION.***

FIRST NAME	MIDDLE NAME	LAST NAME	MAIDEN NAME	BUSINESS TITLE

PHONE OR CELL NUMBER	DATE OF BIRTH MONTH DAY YEAR	CHECK ONE ☐ MALE ☐ FEMALE

EMAIL ADDRESS	Social Security Number

NOTE: The Operational Manager should answer these questions. Please explain any "Yes" answers on Schedule C.

Have you been convicted of a criminal offense related to the security or integrity of the Lottery in this or another jurisdiction?	Y ☐ N ☐
Have you been convicted of unlawful gambling activity, false statements, false swearing, or perjury in this or another jurisdiction?	Y ☐ N ☐
Have you been convicted of a crime punishable by more than one year of imprisonment or a fine of more than one thousand dollars?	Y ☐ N ☐
Have you been found to have violated the provisions of the Lottery Act or a regulation, policy or procedure of the SC Education Lottery?	Y ☐ N ☐
Do you supply goods and services to the Lottery or to an employee or agent doing business with the Lottery?	Y ☐ N ☐
Do you reside in the same household as a member of the SC Education Lottery Commission or an employee of the Lottery?	Y ☐ N ☐

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED ABOVE AND ANY EXPLANATIONS REGARDING THE ANSWERS PROVIDED TO THE SCEL ARE TRUE AND COMPLETE. I AUTHORIZE SCEL TO INVESTIGATE CRIMINAL HISTORY AND OTHER MATTERS PERTAINING TO THE AUTHENTICITY OF STATEMENTS MADE IN THIS APPLICATION PROCESS. I UNDERSTAND THAT IT IS A VIOLATION OF STATE LAW TO MAKE A STATEMENT OF MATERIAL FACT TO THE COMMISSION (SCEL) KNOWING THE STATEMENT IS FALSE.

Signature Required

SIGNATURE OF AUTHORIZED AGENT or OPERATIONAL MANAGER _____ NAME PRINTED _____ DATE _____

SCEL Retailer License Application

SCHEDULE C - ADDITIONAL INFORMATION

NOTE: Use this form to provide additional information or for explanations for "yes" answers to questions contained in the application package.

Additional Information / Explanation Section

	Schedule	Item Number	
1			

2

Application Type

☐ New License
☐ Renewal
☐ Changing Owners

Change of Ownership Section

Has this business sold lottery tickets before? Y☐ N☐ UNKNOWN☐

If so, please attach a copy of the Bill of Sale or a Lease Agreement.

If the business changed ownership, please complete the following.

OLD owner/company name.

OLD owner contact person.

OLD owner phone number and ext.

OLD owner Lottery Retail ID.

NEW owner/company name.

Copy of Bill of Sale from OLD owner to NEW Owner Attached? Y☐ N☐
NOTE: Bill of Sale required for Change of Ownership (COO)

Reason for change.

Please Carefully Review Retailer Contract Before Signing

Please read each provision in the Retailer Contract carefully because this document creates a legally binding relationship with the South Carolina Education Lottery (SCEL). Each year SCEL suspends and/or revokes licenses because one or more provisions in the Contract have been violated. The failure to read and understand the Contract you sign on behalf of your company **does not** excuse the violation. Although all provisions are important, there are several provisions SCEL would like to bring to your attention.

1. Department of Revenue Requirements

Effective January 2025, all retailers are required to be determined compliant by the South Carolina Department of Revenue (DOR) within fifteen (15) business days of notification of non-compliant status.

The applicant must be current in filing all applicable tax returns to the State of South Carolina and in payment of all taxes, interest, and penalties owed to the State of South Carolina, excluding items under formal appeal pursuant to applicable statutes. The Department of Revenue shall provide this information to the commission.

New and Change of Ownership (COO) applications will be denied, if DOR issues are not determined compliant within the fifteen (15) day processing period. Applicants will be required to reapply for licensure.

Lottery terminal sales will be suspended for retailers that are renewing their lottery license and fail to become DOR compliant within fifteen (15) days. The lottery terminal will not be reactivated until the retailer completes the renewal process.

Renewal applications are mailed approximately three months prior to the expiration of the current license. Therefore, renewal applications should be submitted within fifteen business days from the expiration of its current license. Renewal applications submitted afterwards and return DOR non-compliant are subject to an immediate suspended status. The lottery terminal will not be reactivated until the retailer completes the renewal process or the application will be denied for DOR non-compliance.

2. Change in Ownership

To avoid a potential suspension of a lottery license, a Retailer must notify SCEL when there is a change in the company's business structure.

Notify SCEL at any time if:

a) an owner of your business is added;
b) an owner of your business is deleted;
c) the business is sold; or
d) tax identification numbers are changed.

Notification must be made to SCEL's Licensing Department within ten (10) business days of these changes (803-737-2091). Do not wait until it is time to submit a renewal application.
For clarification regarding instances when you must notify SCEL, refer to Section IV, paragraph 4, page 8, of the Retailer Contract.

3. <u>Gaming Devices</u>
In 2014, more than thirty retail outlets were suspended after SCEL became aware of illegal gaming device(s) in the licensed location(s). It is the SCEL Retailer's responsibility to ensure the legality of any amusement devices in their retail outlet. **By signing the Retailer Contract, the Retailer agrees to an automatic, non-appealable six-month suspension if a magistrate determines an illegal device was present in your retail outlet.** Section I, paragraph 2, page 1, of the Retailer Contract contains the provisions regarding illegal amusement/gaming devices.

4. <u>Validating Prizes</u>
SCEL Retailers must pay all claims up to and including $500 and cannot purchase or otherwise pay a person any sum of money in exchange for a ticket with a prize in excess of $500. **No matter the circumstances, "buying" a ticket from a customer and then attempting to claim a prize (either by you or by a person acting on your behalf) will result in the revocation of your SCEL License(s) and may result in criminal charges.** Section II, paragraph 5, beginning on page 3, of the Retailer Contract provides detail information regarding SCEL's validation procedure

SOUTH CAROLINA EDUCATION LOTTERY COMMISSION

POST OFFICE BOX 11949
COLUMBIA, SOUTH CAROLINA 29211-1949
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MASTER RETAILER CONTRACT FOR MULTIPLE RETAIL LOCATIONS

This retailer contract is between the South Carolina Education Lottery (SCEL) and the Retailer - the business entity whose locations have been approved for licensure and whose signature and seal appear at the end of this contract for lottery retailer licenses for the retail locations specified in the Retailer Sales Key Account Report. If an additional retail outlet(s) owned by Retailer is approved for licensure during the term of this contract, it will be added to the Retailer Sales Key Account Report and will be subject to the terms and conditions of this contract without further action by the Retailer.

Execution of this document is required before lottery retail sales licenses are issued. Execution is not complete and this contract does not become effective until the signature of the Executive Director of SCEL, or a designee, is affixed and the lottery retail sales licenses are issued. Each lottery retail sales location listed in the Retailer Sales Key Account Report is separately and individually licensed. The "Parties" are the Retailer and SCEL. The Parties agree to the following:

I. GENERAL PROVISIONS

1. Retailer agrees to operate in a manner consistent with and agrees to abide by Chapter 150 of Title 59, South Carolina Code of Laws, as amended, (referred to herein as the Lottery Act); applicable federal, state, and local ordinances; policies, rules, and regulations promulgated by SCEL; the terms and conditions of this contract; and the policies, practices, and procedures utilized by SCEL, whether written or not. Retailer further agrees that it will not operate in any manner that could be considered, in the sole judgment of SCEL, prejudicial to public confidence in SCEL.

2. SCEL does not seek to limit, restrict, or prohibit the placement of any amusement device (device) in a retail outlet; however, **an illegal device**

at a location licensed by SCEL is inconsistent with the reputation, integrity, and public confidence SCEL must maintain. The Parties agree that an illegal device negatively affects our business relationship. Retailer assumes the sole responsibility to ensure a device is permissible under South Carolina law irrespective of whether the licensee or a third party owns the device.

A magistrate, as provided in § 12-21-2712 (South Carolina Code of Laws, Annot., as amended) must determine whether the device violates South Carolina law, specifically § 12-21-2710 after it has been seized by law enforcement. A device may be found to be illegal even though Retailer or an employee is not charged with an offense. **Upon the determination that a device is illegal, Retailer agrees (with no right to an appeal) to a voluntary six-month suspension of lottery sales at the licensed location(s) from which the device was seized.** The Executive Director reserves the right to revoke or suspend a license for more than six months, in which case an appeal may be heard.

3. Subject to the terms and conditions herein, until revised, this retailer contract shall remain in effect until the expiration date printed on the lottery retailer license(s) associated with this contract. If Retailer timely files an application for licensure renewal, this contract and the associated license(s) shall remain in force pending a final determination on renewal, irrespective of the expiration date printed on the retailer license. The contract is renewable at the sole discretion of SCEL.

4. Retailer agrees that SCEL may suspend sales of lottery products immediately as deemed appropriate for a violation of any provision of the Lottery Act, SCEL regulations, rules, policies, practices, procedures, or provisions of this contract. Suspensions and revocations will be effective on the date of mailing (date of letter). Retailer is only entitled to appeal suspensions, cancellations, revocations or terminations as authorized by the Lottery Act and SCEL regulations, and any appeal will not reinstate a revoked license or terminated contract until a contrary decision is made by one of the appellate entities set forth by the Lottery Act. Retailer agrees to be bound by the appeal procedures and policies established by SCEL. Pending the resolution of any matter under appeal, the Retailer agrees that the suspension, revocation, or refusals to renew remain in effect until all appeals are exhausted.

5. This retailer contract may be terminated or a licensed location can be terminated and removed from the Retailer Sales Key Account Report

without cause by either party.

II. LOTTERY PROVISIONS

1. Retailer agrees to provide SCEL with the names of employees or persons authorized to transact business with SCEL and/or who make decisions concerning the ordering of lottery tickets. Retailer shall notify SCEL immediately of any change of managers or employees listed on the application or other matters affecting the contact information provided. SCEL will rely on the individuals with whom it conducts business until or unless updated information is received. Retailer remains solely responsible for any and all acts of Retailer's employees.

2. a. Retailer agrees that only the lottery retailer named on the lottery retailer license at the respective locations will sell lottery games. Absent prior written approval of SCEL, the Retailer agrees not to sell a lottery game ticket from an unlicensed location.

   b. SCEL will provide Point of Sale (POS) advertising material(s) and other material referenced herein at no charge to Retailer. This material is the property of SCEL. As certain types of advertising are restricted by law and SCEL policy, Retailer agrees not to utilize its own advertising materials to promote lottery products or the lottery unless the proposed advertising concepts are presented to SCEL's Marketing Department for prior written approval.

   c. Retailer agrees that it will post and display conspicuously its license and other signage as required by the Lottery Act and/or SCEL. The POS signage and other materials include, but are not limited to: main entrance door decal stickers, exterior signs visible to potential customers that would identify the location as a lottery retailer; gambling messages and odds as required by the Lottery Act and supplied by SCEL (to be placed in a prominent location at or near each cash register where tickets are sold, as directed by SCEL); "How to Play" game brochures, brochure holders, instant ticket dispensers; and end-of-game announcements. Subject to the Retailer's lease agreement, applicable laws, and/or local ordinances, the Retailer agrees to maintain signage displays, notices, and materials supplied by SCEL according to SCEL's instructions.

   d. SCEL retains the sole right to display any and all POS on SCEL equipment such as instant ticket dispensers, electronic signage, play stations, and lottery sales terminals. The Retailer may not place or display non-lottery items or signage on SCEL displays or advertising property or equipment. The Retailer

must not place non-lottery items including, but not limited to, goods for sale, other products or advertising in front of or on top of lottery ticket dispensers. The Retailer agrees to remove those unauthorized items as directed by SCEL.

e. SCEL's logo and many other promotional items such as signage and game materials are copyrighted, trademarked, or otherwise protected from use without written permission from SCEL. Except for material provided to the retailer, prior written permission of SCEL is required to use material for which SCEL owns the intellectual property. Retailer agrees to stop using SCEL material subject to a copyright, service mark, or trademark immediately upon request. Failure to do so is grounds for immediate suspension or revocation of the retailer license and/or this contract.

f. Retailer agrees to locate the retail sales terminal, other lottery equipment, and those items required to be displayed by law in a space determined to be appropriate by SCEL's marketing and sales personnel.

3. Retailer agrees to provide reasonable security for all tickets and SCEL property. Retailer agrees to report immediately the theft or loss of instant tickets, online ticket stock, and/or damage to or destruction of other lottery property including, but not limited to, sales terminals, customer display units, any other applicable ancillary SCEL terminal equipment or accessories, display units for instant tickets, or play stations to both the local law enforcement authority and to SCEL as required by the Lottery Act and SCEL regulations. Failure to report to law enforcement or to timely cooperate with a law enforcement investigation and/or prosecution, if applicable, will cause Retailer to be liable for losses associated with theft of the tickets and/or be subject to suspension or revocation. Failure to provide notification or timely reimbursement to SCEL for loss is sufficient grounds for SCEL to require the Retailer to deposit an assessed replacement charge into the lottery trust account established pursuant to Section III, Paragraph 2.a., or otherwise pay, the value to replace or repair the stolen, damaged, or destroyed item(s).

4. a. **Retailer agrees to sell tickets at prices established by SCEL and may not impose any additional transaction charge, fee, or commission.**

   b. Retailer agrees to sell lottery tickets for cash only; payment by check, debit card[1], credit card, charge card, or other forms of deferred payment is prohibited.

   c. Retailer agrees not to condition the sale of lottery tickets upon the purchase of any other item or service, or impose any similar restriction upon the sale of a lottery ticket. **Minimum lottery ticket purchase requirements may not be imposed and are strictly prohibited.**

[1] The General Assembly, by Budget proviso, has suspended the prohibition against using debit cards for payment of lottery tickets.

d.Retailer agrees to sell or validate only to individuals present at the retail

location and agrees not to sell instant or online tickets to lottery couriers[2] or over the telephone or by electronic means including, but not limited to, the Internet or any other unauthorized means. Original tickets must be presented. Digital copies of tickets must not be redeemed.

e. Retailer agrees to use paper stock and to sell instant tickets only for the assigned shipped location.

5. a. Subject to the validation procedures established by SCEL, Retailer agrees to pay winning tickets presented for instant and/or online games, as may be applicable, **up to and including $500,** during the hours for which the business is open unless otherwise authorized by SCEL. Such payments must be made in accordance with the amounts authorized by the Lottery Act and SCEL rules and procedures, and shall never be subject to restrictions, withholdings, charges, or conditions other than those imposed by SCEL. Retailer may redeem prizes by offering cash, check, or money order. No fee, charge (including the cost of a money order), or other condition may be imposed by the Retailer in exchange for the payment or redemption of a prize.

   b.**For prizes in excess of $500,** the Retailer, its employees, or agents must not redeem or exchange a ticket(s) or pay a player any sum of money, other consideration, or any item of value in exchange for a ticket or winning ticket or prize.

   c. A Retailer, its employees, or agents must not purchase or exchange a ticket or winning prize from a customer, regardless of the amount of the winnings.

6. Retailer agrees to make SCEL games available for sale during the Retailer's normal business hours of the licensed location unless otherwise authorized by SCEL. Unless otherwise directed by SCEL, the Retailer agrees to offer games and terminal generated games at each retail location listed in the Retailer Sales Key Account Report for sale to the public at all times as directed by SCEL. Retailer must sell multiple instant games at all price-points offered as directed by SCEL. Failure to comply with these provisions may result in the suspension of lottery sales and/or the suspension or revocation of a license to sell SCEL products. Failure to activate and sell multiple instant games as required by SCEL may result in the suspension of sales and/or the suspension or revocation of a license to sell SCEL products. Failure to: (a) timely acknowledge receipt of an instant ticket order and verify the accuracy of the instant game packs received against the shipping receipt; (b) activate instant tickets prior to offering the games for sale; or (c) maintain proper inventory control or security of tickets or paper stock issued for the store it was designated for online tickets may result in suspension of lottery sales

[2] A lottery courier service is an entity that acts as a third party vendor and purchases a lottery ticket(s) on a customer's behalf.

and/or suspension or revocation of the lottery retail license.

7. Retailer understands and agrees to provide reasonable access or accommodation to consumers with special needs who wish to purchase SCEL tickets. Failure to provide reasonable access or accommodation to consumers with special needs may result in suspension or revocation of this retailer contract and the retail license. SCEL is not responsible for determining whether reasonable accommodation is being provided. SCEL is not liable to Retailer if reasonable accommodation is not provided.

8. The sales records and performance of retailers are subject to periodic evaluations to ensure that Retailer is meeting SCEL minimum sales requirements. SCEL, in its sole discretion, reserves the right to locate or remove any SCEL equipment in the retail location. Additionally, the retail license and this retail contract are subject to termination or revocation in the discretion of SCEL for a retail location failing to meet minimum sales requirements.

9. Retailer shall pay a weekly fee, as established by SCEL, for sales terminal(s) provided by SCEL to partially defray and recoup the cost of the communications services and for the maintenance of the online sales terminal and the central online computer equipment and service.

10. Retailer agrees to allow SCEL to inspect, at times determined solely by SCEL and without prior notice, its facilities or operations to determine whether Retailer is in compliance with all applicable provisions governing the sale of SCEL products. SCEL may review Retailer operations to determine whether, in the sole opinion of SCEL, any activity at the retail location negatively reflects upon the integrity of SCEL or public confidence in SCEL. Retailer agrees to provide SCEL video surveillance upon request.

11. a. Retailer expressly authorizes SCEL to release information it may have obtained prior to or after licensure regarding the Retailer upon the receipt of a written request of governmental entities and as may be required or authorized by law.

    b. SCEL collects personal identifying information from personnel (employees, officers, directors, partners, shareholders, members of a LLCs, etc.) of Retailer for verification purposes associated with licensure and thereafter during the business relationship of the Parties. For purposes of this paragraph, "Retailer" includes but is not limited to the individuals associated with the Retailer described in the preceding sentences. Personal identifying information includes, but is not limited to, social security numbers, driver's license numbers, banking account numbers, personal identification numbers, electronic identification numbers, and/or any other data.

c. SCEL also collects personal identifying information from retailers for South Carolina and federal income tax withholding and reporting purposes, such as for use with IRS Form 1099-MISC. Retailer expressly and irrevocably authorizes SCEL, its agents, including, but not limited to, any state agency assisting SCEL, to use his/ her, or its personal identifying information in the normal course of business. SCEL is hereby authorized to use Retailer's personal identifying information for criminal background checks, credit history checks, and S.C. Department of Revenue tax compliance and sales tax reviews. Retailer authorizes SCEL to use and to release Retailer's personal identifying information to its agents or contractors for debt collection purposes resulting from the activities contemplated under this contract, either through private or public debt collectors.

d. Except to the extent of SCEL's negligence or disclosures not expressly authorized under applicable law, Retailer expressly holds SCEL and its agents harmless from any and all claims resulting from the use of personal identifying information described in this contract. Retailer's authorization and hold harmless provision shall survive termination of this contract to extent necessary for SCEL to comply with any post-contractual obligations, including the collection of lottery proceeds not remitted to SCEL.

III. FINANCIAL TRANSACTIONS

1. a. Retailer understands and agrees that under the terms of the Lottery Act, irrespective of business type or form, **for all proceeds due SCEL for the location(s) covered by this contract.** Retailer and the individual officers of Retailer's business understand and agree that they have a fiduciary duty to preserve, timely remit, and account for all proceeds due SCEL.

b. Retailer agrees to maintain accurate and complete records of all transactions with SCEL and to make such records available, upon reasonable notice, to authorized representatives of SCEL during normal business hours. Retailer agrees to bear the risk of loss associated with the failure to maintain an accurate and complete record of financial accounts including, but not limited to, receipt of instant games, paper stock, and other inventory. Upon a disagreement between Retailer and SCEL relating to financial transactions, Retailer agrees to defer to the transactional records in SCEL's central computer system and the reasonable interpretations of SCEL regarding all sales or settlements of instant ticket packs and other sales or transactions. Retailer shall pay the sum determined to be due SCEL upon demand.

c. Retailer is liable for payment of instant tickets upon the settlement occurrence of the earlier event: (1) sixty (60) days after the activation of a

pack of instant tickets; (2) upon validation of eighty percent (80%) or more of the low-tier prizes (as specified by SCEL) contained in a respective pack of instant tickets; or (3) redemption of a high-tier prize in a respective instant ticket pack. The Executive Director reserves the right to modify these payment triggers as deemed appropriate without amendment to this contract.

d. SCEL agrees that in consideration for the duties and responsibilities performed by Retailer under this contract, Retailer shall receive a commission of seven percent (7%) of actual sales of lottery products or another percentage of sales rate as provided by law. Sales or promotional payments, if any, may occur at the sole discretion of SCEL and may be changed or denied without recourse. Notwithstanding the contents of any other document, SCEL is not obligated, contractually or otherwise, to make sales or promotional payments based upon sales of lottery products made during the term of this contract.

2. a. Retailer agrees to establish and maintain a separate trust account in the name of and/or for the sole benefit of SCEL to be used for the sole purpose of depositing, retaining, and remitting lottery proceeds via electronic funds transfer (EFT) to SCEL. Collection of SCEL proceeds (withdrawals) from the SCEL EFT trust account will be made at intervals and times as deemed appropriate by SCEL in its sole discretion.

b.No monies, other than lottery proceeds, may be placed in the lottery trust bank account and the proceeds from lottery ticket sales must not be placed in any other account. Retailer may not deposit lottery proceeds from other jurisdictions into the SCEL EFT trust account, or vice versa, unless the Executive Director grants written approval. The SCEL EFT trust account must be at an institution insured by the Federal Deposit Insurance Corporation (FDIC) or similar deposit insurance entity acceptable to SCEL. Retailer agrees to place all lottery proceeds due SCEL in the lottery trust account no later than the close of the next banking day after the date of their collection by Retailer. Failure by Retailer to meet these depository requirements shall not alter the trust fund status of lottery sales proceeds.

c. Retailer understands SCEL may issue subpoenas to obtain access to financial records related to the lottery proceeds account or other information necessary to ensure the integrity of SCEL is maintained and to ensure all lottery proceeds are properly remitted. Retailer hereby releases SCEL, its vendors, and SCEL's or the Retailer's financial institution(s) from any liability relating to the release of any information requested or provided pursuant to a subpoena.

d. At the time of the sale, lottery proceeds are the property of SCEL and held in trust for SCEL as provided by law, required by SCEL, and by this contract. Lottery proceeds include unsold activated instant tickets received by Retailer, and cash proceeds from the sale of lottery products, net of allowable sales commissions and credit for lottery prizes paid to winners by Retailer. SCEL may consider as proceeds unaccounted for, unsold, or un-activated packs.

e. Retailer understands and agrees that failure to have sufficient funds available at the time required for collection subjects Retailer to payment of all "non-sufficient funds" (NSF) charges, including SCEL's direct and related transaction costs associated with NSFs and wire receipt of monies. Retailer further understands and agrees that failure to have sufficient funds available at the time required for collection may be considered adequate cause for SCEL to require immediate presentment of a letter of credit naming SCEL as beneficiary upon terms and conditions acceptable to SCEL and/or to impose fines or additional bonding requirements. In lieu of or in addition to these actions, the Executive Director, in his or her sole discretion, may suspend sales of lottery products or suspend/revoke this contract and the retail sales license immediately. Retailer agrees to indemnify and hold SCEL harmless against any claim of lost sales commissions or other damages Retailer may allege to have occurred as the result of a decision to require a letter of credit, an immediate decision to suspend or revoke this contract and/or the retailer license, or any other decision intended to ensure currently due and/or future lottery proceeds are safeguarded and remitted.

f. Retailer understands and agrees that the Executive Director or a designee has sole discretion to suspend immediately sales of lottery products or to suspend or revoke the retail sales license(s) for each location for which Retailer holds a lottery license based on a default of another licensed location.

g. To ensure all monies due SCEL are deposited, retained, and remitted to SCEL, upon demand, Retailer agrees to provide evidence of deposits and/or other financial information as may be deemed necessary by SCEL. This requirement may be invoked in the sole discretion of the Executive Director of SCEL, or a designee, and failure to comply may result in immediate suspension of the sale of lottery products or the suspension, revocation, or termination of licensure as deemed appropriate by the Executive Director, or a designee.

h. Based upon prior financial history of Retailer, SCEL reserves the sole discretion and right to require a letter of credit or other security as provided in Paragraph e. above for other retailer locations. The exercise of this option is subject to the same terms and conditions applicable in Paragraph e. above.

3. Retailer agrees to ensure that when deposits in the lottery proceeds trust

account exceed deposit insurance coverage limits of the FDIC or similar regulatory authority, Retailer will immediately obtain an indemnity bond in an amount sufficient to protect SCEL against loss (generally an amount equal to two (2) weeks of Retailer's average gross sales of lottery products) in the event of an insolvency or liquidation of the depository institution. Alternatively, Retailer agrees to provide collateral acceptable to the State Treasurer in an amount sufficient to protect SCEL against loss (generally an amount equal to two (2) weeks of Retailer's average gross sales of lottery products).

4. a. Upon termination or revocation of a license and after a final accounting of the amount due, Retailer agrees to pay immediately that sum to SCEL, including the imposition of any fine(s) imposed pursuant to regulations. Retailer further agrees to pay a reasonable rate of interest not to exceed eighteen percent (18%) per annum on any outstanding debts or fines owed to SCEL. Interest will begin accruing as determined by SCEL but not earlier than the expiration of the time for the appeal of any disputed amount or the exhaustion of the appeals process available to Retailer pursuant to the Lottery Act.

   b. Retailer further agrees to be liable for all reasonable collection costs incurred by SCEL. Upon the filing of a legal action or lawsuit, a minimum $100 fee may be assessed to defray SCEL's internal collection costs related to SCEL staff time for preparation in filing an action. Retailer agrees to pay additional collection costs which may include, but are not limited to, attorneys' fees, filing fees, service of process fees, and any fee imposed by any entity to participate in and collect debts owed pursuant to set-off debt collection actions as may be authorized by state law. Actual cost incurred to collect any monies payable under this contract, to defend any provision of this contract, or to litigate any provision of this contract, whether or not any lawsuit or administrative proceeding is commenced, may also be imposed.

IV. RETAILER'S OBLIGATIONS

1. Retailer agrees that it will not sell tickets or shares to anyone younger than 18 years of age.

2. Due to the potential disruption of service and to avoid numerous service calls by service technicians, Retailer agrees, at its own expense, to provide adequate, reliable electrical service as determined by SCEL or its online vendor to sales equipment provided by SCEL. Failure to do so in a timely manner after a request is made shall be grounds for immediate suspension of sales and/or suspension or revocation of this contract and the retailer license. Retailer agrees to keep the power to the sales terminal on at all times to allow for system downloads.

3. Retailer agrees that it will not contract with a gaming entity or other person

for lottery goods or services in the State of South Carolina other than SCEL except with the prior written approval of SCEL.

4. a. Retailer agrees to notify SCEL, if possible, prior to a change in ownership or the addition of new owners but in any event no later than ten (10) days after a change in ownership has occurred. The new owner(s) must submit an application and be issued a license before SCEL products may be sold at the retail location as provided herein. **Retailer must not allow a new owner or anyone else to sell SCEL products after the Retailer is no longer the owner or leasee of licensed location.** The authority to sell SCEL products terminates upon the change of ownership.

   b. Retailer understands and agrees that it remains liable for all proceeds due SCEL if Retailer fails to notify the SCEL Licensing Department when a change of ownership is to be effective. As determined by SCEL, a lottery sales license may not be issued for the location until the prior terminating Retailer pays the final invoice in full.

   c. A "Change in ownership" occurs when a business is sold from one entity to another, when the assets of a business are sold, or when all shares in a corporation are sold. A change of ownership also occurs when:

      (i.) A person becomes a partner or member of a limited liability company (LLC) who was not identified on the retail licensure application under which the license was issued; or

      (ii.) A person is no longer a partner or member of the limited liability company (LLC) identified on the retail licensure application; or

      (iii.) A shareholder of the business entity operating at the licensed location

      acquires ten percent (10%) or more of the outstanding shares if that shareholder was not listed on the most recent retail licensure application; or

      (iv.) An existing shareholder sells ten percent (10%) or more of the stock of the corporation operating at the licensed location; or

      (v.) the business form of entity operating at the licensed location is changed from one type to another even if the individual(s) who own each business have not changed (for example, the business form changes from a LLC to corporation, partnership to corporation, sole proprietorship to corporation or LLC); or

      (vi.) A new tax identification number is used for the licensed location.

   d. The owners of the business remain personally liable to SCEL for all

lottery proceeds if the individual(s) or business operating at the licensed location fails to notify the SCEL Licensing Department that a change in ownership has occurred.

5. a. **Retailer is prohibited from transferring or assigning its retailer license or contract for the location(s) designated herein.**

   b. Retailer agrees to notify SCEL immediately if the Retailer is placed in receivership or files for bankruptcy. Such notice is to come from Retailer and is in addition to any notice sent by any court or any noticing entity or agent designated by any court.

   c. If Retailer (includes any person required by the Lottery Act to undergo a criminal background investigation) is convicted of a crime in any jurisdiction or becomes delinquent in payment or filing of any taxes due the State of South Carolina, SCEL must be notified in writing within ten (10) calendar days of the conviction or delinquency. Taxes paid under protest or a timely filed appeal do not constitute a delinquency.

6. Retailer agrees that it will not pay, give, or otherwise make available anything of value to a Commissioner of the South Carolina Lottery Commission or an SCEL employee in violation of the South Carolina Ethics Reform Act.

7. a. As part of the consideration of issuing the lottery retail sales license for the locations listed in Attachment A, the Retailer agrees that it shall not offer for sale in South Carolina any other "competing product" except as authorized in this contract. "Competing product" is defined as a product similar in appearance and design that would tend to be confused with instant game tickets authorized for sale by SCEL. "Competing product" includes, but is not limited to, products normally dispensed from a display case located on a counter top near a cash register or dispersed from a vending machine in which money or a thing of value is inserted. "Competing product" is defined as a product similar in appearance and design that would tend to be confused with instant game tickets authorized for sale by SCEL.

   "Competing product" may typically be defined as a paper ticket or card that ranges in size from 1"x 1" to 3"x 2" or "4 x 6", but may be larger or smaller, where

   (i.) a person may receive gifts, services, prizes, or gratuities and

   (ii.) winners are determined by preprinted concealed letters, numbers, or symbols which, when exposed, either through scratch-off or pull-tab or other method, reveal immediately whether the player has won a prize or entry into a prize drawing. The fact that no purchase is required to participate must not exclude such game or contest from this provision. A competing product is also typically sold independent of a tangible product

such as a soft drink, food product, or other consumable item but this fact is not determinative of whether a product is a competing product.

b. Retailer agrees that a competing product will not be displayed within twenty (20') feet of a sales counter or cash register where SCEL lottery products are sold unless prior written approval is obtained from the Executive Director, or a designee. Retailer agrees to be bound by the decision of the Executive Director regarding the location of competing products. Upon a disagreement as to whether an item(s) is a competing product or whether the product is displayed in an appropriate location, Retailer agrees to defer to the reasonable interpretation of SCEL. Retailer understands that a violation of this section may result in the termination of this contract and revocation of the retail license by SCEL.

c. A competing product additionally includes any gaming terminal that is located at the retail location that dispenses prizes that can be redeemed for money, gifts, services, or gratuities, unless prior written approval is obtained from the Executive Director, or designee. Retailer understands that a violation of this section may result in the termination of this contract and revocation of the retail license by SCEL.

8. a. Retailer agrees that the title and ownership of all equipment or property furnished by SCEL, including, but not limited, to POS materials (which are often reused by SCEL), shall remain with SCEL, or its agent, and all such property shall be returned immediately to SCEL or its agents upon demand.

b. Retailer agrees to take reasonable steps to safeguard all SCEL equipment and operate this equipment in a manner consistent with the training provided to the Retailer's employees. Retailer is not liable for normal wear-and-tear or maintenance of SCEL equipment. SCEL or its contractor is responsible for routine maintenance and replacement of lottery equipment. Retailer further acknowledges that tampering with equipment or unplugging any devices is a violation of this clause and may subject Retailer to suspension or termination of this contract and the retail license.

c. Retailer agrees to reimburse SCEL, or its agent(s) and/or contractor(s), for the loss or repair of SCEL equipment including, but not limited to, the sales terminal(s), customer display unit(s), video terminals, electronic signage, ticket checkers, play stations, or instant ticket dispensers damaged or destroyed as the result of fire, theft, or vandalism at the retail location. Reimbursement costs are limited to the actual replacement or repair cost incurred by SCEL. (See Section II, Paragraph 3 regarding notification requirements when loss or damages occur and the consequences for a failure to make a timely notification to SCEL or to timely reimburse SCEL for the loss.)

d. Retailer agrees to be responsible for any loss or damage to SCEL property that results directly from the negligent or willful acts or omission of the Retailer or its employees.

9. Retailer agrees that any SCEL property furnished to Retailer shall be used only for the performance of this contract unless otherwise provided herein or approved by SCEL.

10. Retailer agrees not to sell any lottery tickets for a specific game before the announced start of that game. Retailer agrees and is responsible for returning instant game tickets once the game is no longer authorized for sale. Retailer agrees not to sell lottery tickets after the "last date to sell" for a specific game.

11. Retailer is solely responsible for any promotional activity or contest, including, but not limited to, raffles or similarly styled games or promotions involving or relating to lottery products, unless the promotion or contest is part of a lottery game (such as a second-chance drawing) and/or is sponsored, approved, or authorized by SCEL.

12. In addition to the specific conditions set forth in this contract, this contract may be canceled, terminated, suspended, or revoked if any of the following events occurs:
    (a.) violation of the Lottery Act or a regulation, policy, or procedure of the Board of Commissioners of the South Carolina Education Lottery, whether written or not;
    (b.) failure to properly segregate lottery ticket revenues or proceeds;
    (c.) failure to accurately or timely account for lottery game tickets, lottery games, lottery proceeds, or prizes as required by SCEL;
    (d.) fraud, deceit, or misrepresentation;
    (e.) insufficient sales;
    (f.) conduct prejudicial to public confidence in SCEL;
    (g.) filing for or placement in receivership by Retailer;
    (h.) voluntary or involuntary filing of bankruptcy by Retailer if, in addition to the bankruptcy filing, there is a violation of any other provision of this contract or rules or regulations promulgated by SCEL, whether written or not;
    (i.) a change in information included on the application considered material, as determined in the sole discretion of SCEL; or
    (j.) failure to meet any of the objective criteria established by SCEL pursuant to the Lottery Act, any rules or regulations promulgated by SCEL, and/or policies, practices, or procedures utilized by SCEL, whether written or not.

V. INDEMNIFICATION AND LIABILITY

1. To the extent of Retailer's own negligence, Retailer agrees to hold harmless and indemnify SCEL and the State of South Carolina from any liability resulting from or in connection with the sale or purchase of a lottery ticket(s) that is inconsistent with the terms of this contract, the Lottery Act, or the policies, rules, or regulations of SCEL, whether written or not. Retailer agrees to hold harmless and indemnify SCEL and the State of South Carolina from any liability arising from or in connection with ticket theft or the reporting of tickets as stolen.

2. Retailer agrees that, in its capacity as a contractor to sell lottery tickets, the Retailer is not acting on behalf of SCEL or the State as an agent, officer, or employee, but is acting in the capacity of an independent contractor.

3. Except for the negligence or tortious acts of SCEL employees, Retailer agrees that any contractual or tortious liability incurred by the Retailer in connection with the sale, purchase, or redemption of lottery tickets shall be the sole responsibility of the Retailer. Payouts or redemptions on properly validated winning tickets, up to and **including $500 per transaction, must be paid by the Retailer** but will be offset against the amount of net proceeds due SCEL.

VI. SEVERABILITY

If any item, provision, sentence or part of a sentence, of this contract is deemed invalid or unenforceable, the remaining provisions shall be enforceable.

VII. SURVIVORSHIP

Termination, suspension or revocation of a retail sales license does not relieve Retailer from the obligations imposed by the Lottery Act or SCEL regulations, nor does it extinguish any authorizations or authority granted herein to SCEL. This provision and the following provisions survive termination, cancellation, or revocation of this contract:
(1.) Section II, paragraphs 2.e., 3. and 10.;
(2.) Section III, paragraphs 1.a., b., c., and 2.a. (the obligation to maintain the account shall cease after a final accounting and remittance of any outstanding balance to SCEL), 2.c. and 4.;
(3.) Section IV, paragraphs 4., 8. and 11.;
(4.) Section V;
(5.) Section VI;

(6.) Section VII;
and (7.) Section
VIII.

VIII. ADDITIONAL PROVISIONS

1. Publicity and Use of Trademarks: SCEL agrees that it will not use Retailer's name, logo, trademarks, or trade name in publicity releases, promotional materials, advertising, marketing, or business-generating efforts, whether written or oral, without obtaining Retailer's prior written consent. Notwithstanding the foregoing, the SCEL may release Retailer's name without obtaining prior written consent in standard media releases regarding prizewinners or retailer commissions, or if otherwise required by law.

2. Information Security: SCEL will maintain appropriate administrative, technical and physical safeguards and other security measures designed to ensure the security and confidentiality of any "Confidential Information" that it may receive from Retailer. For purposes of this paragraph, the SCEL understands "Confidential Information" includes, without limitation, information relating to Retailer's business plans, associate staffing data, sales information (with the exception of South Carolina lottery ticket sales information), marketing methods, customer information, and operational practices and procedures. The security measures shall include appropriate internal practices including, but not limited to, encryption of data in transit; using appropriate firewall and antivirus software; maintaining these countermeasures, operating systems, and other applications with up-to-date virus definitions and security patches so as to avoid any adverse impact to Retailer's systems or Confidential Information; appropriate logging and alerts to monitor access controls and to assure data integrity and confidentiality; and installing and operating security mechanisms in the manner intended sufficient to ensure Retailer business operations are not disrupted. All Confidential Information provided by Retailer must be marked accordingly.

3. Confidentiality: SCEL shall disclose Retailer's Confidential Information only as required by law. In the event SCEL is required by law to disclose any of Retailer's Confidential Information, it agrees to limit the amount of disclosure to the minimum amount of information that is legally required to be disclosed.

4. No Employment or Contractor Relationship**:** SCEL's employees and the employees of its vendors and suppliers will not be considered employees of Retailer for any purpose. Further, in no event shall Retailer be considered a state contractor as a result of becoming a licensed lottery ticket retailer in South Carolina.

IX. ACKNOWLEDGEMENTS

In addition to the terms and conditions of this contract, by signing below, Retailer agrees to be bound by all applicable provisions of the Lottery Act and rules, policies, or regulations of SCEL as they are currently constituted or as they may be established or modified during the term of this contract and those documents are hereby deemed incorporated herein. The terms of this contract are in addition to the provisions of the Lottery Act and SCEL rules, policies, or regulations, whether written or not, and are not meant in any way to abrogate or limit the provisions of the Lottery Act and SCEL rules, policies, or regulations of SCEL, whether written or not. Subject to the terms of this contract, Retailer may surrender its lottery retail sales license to SCEL, without penalty, if Retailer does not wish to comply with a later-adopted policy, procedure, practice, or guideline of SCEL.

Violations of the Lottery Act, SCEL rules, policies, or regulations may result in the revocation of a license. It is understood that the terms and conditions listed above are not the exclusive obligations imposed on a Retailer and are not intended to narrow or lessen any obligation or requirement imposed by law or regulation.

BY SIGNING THIS CONTRACT, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF THE CONTRACT AND AGREE TO BE BOUND BY THEM. THE PARTIES FURTHER ACKNOWLEDGE THAT THIS CONTRACT IS INTENDED TO BE A SEALED INSTRUMENT WITHIN THE MEANING OF SECTION 15-3-520, SOUTH CAROLINA CODE OF LAWS (AS AND IF AMENDED).

AS AUTHORIZED IN SECTION 15-7-50, SOUTH CAROLINA CODE OF LAWS, UPON CONCLUSION OF ALL SCEL ADMINISTRATIVE PROCESSES, RETAILER AGREES THAT ANY ACTION ARISING FROM ANY CLAIM OR DISPUTE RELATING TO THIS CONTRACT OR FROM A BREACH OF THIS CONTRACT THAT IS SUBJECT TO THE JURISDICTION OF THE COURT OF COMMON PLEAS SHALL BE HEARD IN RICHLAND COUNTY, SOUTH CAROLINA.

THE PERSON SIGNING THIS CONTRACT CERTIFIES THAT HE/SHE IS A PERSON AUTHORIZED TO BIND RETAILER. IF SCEL DETERMINES THAT THE INDIVIDUAL SIGNING THIS CONTRACT ON BEHALF OF THE RETAILER IS NOT LEGALLY AUTHORIZED TO REPRESENT THE RETAILER, SCEL SHALL CONSIDER THIS TO BE A MATERIAL MISREPRESENTATION IN APPLICATION AND THE CONTRACT SHALL BE SUBJECT TO TERMINATION. FURTHER, THE PERSON SIGNING THIS DOCUMENT AFFIRMS THAT TO THE BEST OF HIS/HER KNOWLEDGE THE INFORMATION PROVIDED ON THE RETAILER APPLICATION IS TRUE AND ACCURATE.

[Signatures on following page]

RETAILER

I, _____, _____
(Printed Name) (Title - Owner, Partner, President, etc.)

do hereby set my hand and seal to this contract on this _____ _____, 202__
(Month) (Day) (Year)

Retailer's Signature:_____

Subscribed to and sworn before me this_____day of_____ 20__ .

Notary's Signature

Notary's Printed Name

Notary Public for_____
State

My Commission Expires:_____
Expiration Date

Place
Notary Seal or Stamp
Here.

Not required for
S.C. *Notaries*

THE SOUTH CAROLINA EDUCATION LOTTERY

I, Dolly J. Garfield, Chief Executive Officer, do hereby execute and set my hand and seal to this contract on this _____day of _____, 202_ _____LS
(Signature)

Owner /Business Name	
Chain Number	