



# California Lottery<sup>®</sup> Retailer Contract

## Terms and Conditions

### 1. GENERAL.

- a. **Parties.** The parties to the California Lottery Retailer Contract (Contract) are the California Lottery (Lottery) and authorized California Lottery retailer (Retailer).
- b. **Scope.** By entering into the Contract to sell Lottery products, Retailer agrees to be bound by these terms and conditions as well as applicable state and federal law, Lottery regulations, all Contract documents, and all Lottery policies and directives, and Retailer acknowledges that it is an independent contractor and not an employee or agent of the Lottery.
- c. **Law, Jurisdiction, and Venue.** The parties agree that the Contract is interpreted under California law. The parties further agree that any action at law or in equity relating to this Contract may only be filed in a court of competent jurisdiction in Sacramento, California, and only after compliance with the “Payment Disputes” provision herein.
- d. **Term.** The parties agree that the Contract will remain in effect until terminated by either party in accordance with section 5.a. of this Contract.
- e. **Retailer Contract.** The Contract consists of the following documents, taken together:
  - (1) California Lottery Retailer Application
  - (2) California Lottery Retailer Contract Terms and Conditions
  - (3) California Lottery Retailer Policies
  - (4) California Lottery Retailer Access Program
  - (5) California Lottery Retailer Code of Conduct
  - (6) California Lottery Retailer Directive
- f. **Amendments.**
  - (1) **Amendments.** The Lottery may amend the Contract from time to time without individual notice to each Retailer. Amendments are effective and available for review when posted on the Lottery’s Retailer website at [www.calottery.com/retailer](http://www.calottery.com/retailer). **Retailers will not receive additional notice of amendments. Retailers should review the Lottery Retailer website often to ensure that they are complying with all Contract provisions.** Retailer is responsible for keeping apprised of amendments and complying with them. If Retailer is unwilling or unable to comply with amendments to the Contract, Retailer must terminate the Contract as provided by this Contract and Lottery regulations. Failure to terminate the Contract will be deemed acceptance of the Contract terms, as amended from time to time. Contract amendments will remain in effect until superseded by the Lottery.

- g. Certificate of Authority.** If approved, Retailer will receive a Certificate of Authority to sell Lottery products. Retailer should keep the Certificate of Authority at the retail location.
- h. Assignment and Transfer.** Retailer acknowledges and agrees that this Contract is neither assignable nor transferable by Retailer, and that Lottery equipment may only be moved by the Lottery.
- i. Indemnification.** Retailer agrees to protect, defend, indemnify, and hold harmless the State of California, the Lottery Commission, the Lottery, and the Lottery's officers and employees from and against all claims, suits, or actions arising from any act or omission of Retailer or Retailer's employees, officers, representatives, agents, or customers. Retailer is solely responsible for all damage, including damage to Lottery equipment, resulting from the acts and/or omissions of its employees, officers, representatives, agents, or customers.

## **2. COMPENSATION, PAYMENTS, AND CREDITS.**

**a. Retailer Compensation.** The Lottery will compensate the Retailer as provided by Lottery Regulations and applicable promotional rules.

### **b. Retailer Payments.**

- (1) **Account.** Retailer must maintain an electronic fund transfer (EFT) account with a financial institution that is a member of an Automated Clearing House Association (ACH), which the Lottery will use for making periodic withdrawals, deposits, and adjustments.
- (2) **EFT.** Retailer authorizes the Lottery to initiate EFTs from Retailer's designated account for the net balance due from Retailer to the Lottery for the sale of Lottery products.
- (3) **Sufficient Funds.** Retailer agrees to maintain a sufficient balance in its EFT account to satisfy all obligations Retailer owes the Lottery on the weekly "sweep day" designated by the Lottery on which funds are to be electronically transferred from Retailer's financial institution to the Lottery. Retailer will be charged a fee of \$25 for any EFT or other payment dishonored by Retailer's financial institution. If funds are due and owing to the Lottery after an EFT account is closed, the Lottery will pursue collection of the funds and all other damages and remedies available. Retailer agrees to reimburse the Lottery for all costs and fees, including attorneys' fees, that the Lottery incurs in the collection of amounts owed.
- (4) **Sweeps - Scratchers® Games.** Unless the Lottery specifies otherwise, Retailer's sweep day for payment, via EFT, for the sale of Scratchers products will be every Thursday for the net balance due as of the close of business on the previous Saturday.

- (5) **Sweeps – Draw Games.** Unless the Lottery specifies otherwise, Retailer's sweep day for payment, via EFT, for the sale of Lottery draw games will be every Wednesday for the prior week's sales (Sunday through Saturday).
- (6) **Key Accounts.** A Key Account may, at the Lottery's discretion, be swept from a single corporate account for multiple locations.
- c. Past-Due Account.** Retailer agrees to reimburse the Lottery for all costs and fees, including attorneys' fees, that the Lottery incurs in the collection of a past-due account. Retailer agrees to pay interest on any balances 30 days past due at the rate of 1% above the Pooled Money Investment Account daily rate on June 30<sup>th</sup> of the prior fiscal year, not to exceed a rate of 15%. Retailer may be required to remit a security deposit, in an amount to be determined by the Lottery, prior to future Lottery purchases. Retailers with past-due accounts are subject to immediate Contract suspension or termination.
- d. Payment Disputes.** Retailer must comply with this payment disputes provision before initiating an action at law. The parties agree to the following if a dispute arises regarding the amount of a payment due to the Lottery from Retailer:
- (1) Retailer will submit the disputed payment as specified by the Lottery. The Lottery may restrict or terminate Retailer's ability to sell Lottery products or cash winning tickets until payment is made. Retailer's failure to make payment will constitute Retailer's waiver of this dispute process;
  - (2) Retailer may submit a written payment dispute to the Lottery's Finance Division, Retailer Financial Services Section, within 15 days of the Lottery's sweep of the payment in dispute, providing facts and documentation supporting its position; and
  - (3) The Lottery will review Retailer's written payment dispute and, depending on the outcome of the review, either credit Retailer's account or take no further action.
- e. Credits – Misprinted, Damaged Products.** Retailer may request a credit for Lottery products that are misprinted or are damaged due to no fault of Retailer. When seeking a credit, Retailer must provide evidence of the exact nature of the loss, proof that the Retailer promptly complied with the Lottery's reporting requirements, and any additional information the Lottery requires.
- f. Stolen Tickets.**
- (1) Retailer is financially responsible for Lottery tickets stolen after delivery to Retailer. Retailer must immediately report any theft of Lottery products to local law enforcement and contact the Lottery's Security/Law Enforcement Division's Theft unit at 1-855-EZ LOTTO, Option 5. If Retailer reports the theft within four hours of discovery, Retailer may be reimbursed for the cost of stolen tickets at the sole discretion of the Lottery. However, Retailer must be able to provide the Lottery with the game and pack number(s) of stolen Scratchers tickets to be considered for a reimbursement. It is Retailer's responsibility to keep detailed, complete, accurate, and daily inventory records for all Lottery tickets.

- (2) In the Lottery Director's sole discretion, Retailer may be reimbursed for up to 100% of the cost of stolen tickets fully paid for by the Retailer pursuant to the Lottery's Credit Policy (available upon request) depending on the number of claims submitted in a 24-month period and the level of compliance with the Lottery's Stolen Ticket Claim Standards (STCS). As a general rule, there will be no reimbursement after a third claim is made during a 24-month period.
- (3) If Retailer's account has been credited by the Lottery for stolen tickets and Retailer recovers all or any portion of the loss from an insurer or other third party, Retailer must immediately notify the Lottery. The Lottery is entitled to offset Retailer's account to reflect the Lottery's share of such recovery. Failure to notify the Lottery of any recovery by the Retailer from an insurer or other third party will result in immediate Contract termination.

**g. Fire, Flood, Earthquake, or Similar Hazard.**

- (1) In the Lottery Director's sole discretion, Retailer may be reimbursed for eligible losses of tickets due to fire, flood, earthquake, or similar hazard. Retailers must notify the Lottery's Security/Law Enforcement Division's Theft unit at 1-855-EZ LOTTO, Option 5 within 48 hours of any loss or damage to ensure timely assistance and proper claim processing.
- (2) If Retailer's account has been credited by the Lottery for lost, damaged, or destroyed tickets and Retailer recovers all or any portion of the loss from an insurer or other third party, Retailer must immediately notify the Lottery. The Lottery is entitled to offset Retailer's account to reflect the Lottery's share of such recovery. Failure to notify the Lottery of any recovery by the Retailer from an insurer or other third party will result in immediate Contract termination.

**3. PRODUCT PROMOTION.**

- a. Signage.** Retailer is expected to display all Lottery signage provided and must only display Lottery signs (i.e., banners, posters, freestanding game signs) approved by the Lottery. Retailer is responsible for complying with local ordinances and chain store/corporate policy guidelines regarding signage. The Lottery is not responsible for fines, penalties, or fees incurred by Retailer for failure to comply with local ordinances and chain store/corporate policy guidelines regarding signage.
- b. Point-of-Sale.** Retailer must display Lottery-provided point-of-sale materials, advertising, and how-to-play brochures consistent with Lottery policies and instructions.
- c. Identifying Marks.** Except for Lottery-provided signage, advertising, brochures, and materials, Retailer must obtain the Lottery's prior written approval prior to using Lottery-owned identifying marks (i.e., logos, slogans, trademarks, service marks, etc.) in their advertising or other media. This requirement applies to all forms of communication including signage, posters/flyers, websites, social media, mobile apps, email/newsletter, and direct mail.

#### 4. LOTTERY SALES.

a. **Sale of Lottery Products.** Retailer must sell Lottery products in person, over the counter, or via Lottery-approved vending machines, game terminals, or other terminals or machines as determined by the Lottery in its sole discretion. Retailer may not sell Lottery products over the telephone, by computer or any other electronic means, or through the mail. Retailer may only sell Lottery products that are authorized by the Lottery. Retailer must sell Scratchers game tickets for the duration of each game (i.e., the announced beginning through the end-of-game dates). Lottery products must be sold at all times during regular business hours. Retailer must not sell lottery products other than California Lottery products. Retailer may not participate in the promotion, distribution, sale, or offering of unauthorized lottery tickets, lottery-related products, gambling schemes, or gaming devices. This prohibition includes selling or facilitating the sale of Lottery tickets to any person, business, or other entity acting in their capacity as a Lottery courier. Couriers are businesses that offer California Lottery ticket ordering, delivery, and/or purchase services through internet websites or mobile applications (apps).

b. **Price, Fair Chance, and Prize Payment.**

(1) **Price.** Retailer must sell Lottery products at the price set by the Lottery. **Retailer agrees it will not:**

- (a) Sell any Lottery products at a price greater or less than the price authorized by the Lottery;
- (b) Condition the sale of a Lottery product upon the purchase of any other item or service; or
- (c) Charge a fee or impose any other restriction upon the sale or redemption of a Lottery product.

(2) **Fair Chance.** Retailer will conduct the sale of Lottery products in a manner that adheres to the principle that every ticket sold has an equal and random chance of winning a prize.

(3) **Prize Payment.**

- (a) Retailer must redeem or cash, in full, all winning tickets or promotional awards of \$599 or less during normal business hours, regardless of where the tickets were sold, unless exempted pursuant to subparagraph (c) below. Retailer may only make payment when the Lottery terminal indicates an authorization to pay by issuing a cash authorization receipt and all other required procedures have been performed by Retailer. **Retailer is prohibited from redeeming or cashing tickets with prizes of \$600 or more.**
- (b) Retailer must not redeem a Lottery prize in an amount greater or less than the authorized amount.

(c) The Lottery may exempt Retailers, on a case-by-case basis, from the general requirement that they pay all prizes of \$599 or less after Retailer provides the Lottery with written documentation showing that the Retailer's corporate policy prohibits cashing larger prizes or the Retailer's location is such that cashing larger prizes would create an unacceptable security risk. In the appropriate case, the Lottery may agree to establish a lower cashing limit and/or restricted cashing hours for a particular Retailer. When cashing hours are restricted, the hours set must be fair and reasonable and posted for customer convenience. Under no circumstance will Retailer be exempted from paying cash prizes less than \$50.

(4) **Prize Paid in Error.** If Retailer pays a prize in error, Retailer is solely responsible for that payment. Payments made in error will not be reimbursed by the Lottery.

**c. Purchasers Must be 18 Years of Age or Older. Retailer may not sell Lottery products to persons under the age of 18.** Retailer must establish safeguards to ensure Lottery sales are not made to minors.

**d. Persons Authorized to Sell Lottery Products.** Retailer and authorized employee(s) may sell Lottery products only at the business address provided on the approved Retailer Application. Retailer is responsible for the acts or omissions of its employees, members, officers, business partners, and agents that sell or have access to Lottery products. Retailers may not employ or use the services of any person under the age of 18 years for the sale of Lottery tickets unless that person is under the continuous supervision of a person 21 years of age or older.

**e. Retailers as Players.** Subject to any restrictions placed by the Lottery, Retailers are allowed to purchase and play Lottery games and products. Retailers that play Lottery games and products are required to pay for tickets in full prior to play and are subject to the same rules, conditions, and Lottery regulations as non-Retailer players. Failure to follow any of the Lottery's rules, conditions, or regulations will result in the denial of Retailer's prize claim and may result in Contract termination.

**f. Sales Requirements.**

(1) Retailer must comply with minimum sales volume requirements established by the Lottery. Retailers failing to meet minimum sales volume requirements will be notified and their sales volume monitored. Continued failure to meet minimum sales volume requirements may result in Contract probation or termination. Retailer agrees to sell all Lottery products unless exempted by the Lottery.

(2) Retailer agrees to sell Scratchers tickets pursuant to the Lottery's Scratchers distribution and sales program.

**g. Scratchers Pack Purchase Price.** Retailer's purchase price for each pack of Scratchers tickets will be the retail price of the pack minus the applicable Retailer compensation.

**h. Lottery Services.** Retailer must perform all requested Lottery services, including providing winning numbers reports and claim forms to players and validating tickets, without additional compensation.

## 5. CONTRACT TERMINATION.

### a. Termination.

- (1) **Termination by Retailer.** Retailer may terminate this Contract upon 30 calendar days' prior written notice to the Lottery.
- (2) **Termination by Lottery.**
  - (a) **Misconduct.** The Lottery may terminate the Contract for Retailer misconduct at any time, with or without notice. Upon termination, the Lottery will remove all Lottery equipment and products from the Retail location.
  - (b) Retailer misconduct includes, but is not limited to, the following:
    - (1) Retailer provides false or misleading information in its retailer application;
    - (2) Retailer provides false or misleading information to the Lottery concerning its operations and/or activities;
    - (3) Retailer breaches one or more terms or conditions of the Retailer Contract or terms of Lottery probation;
    - (4) Retailer or its employees, representatives, or agents engage in or permit any form of misconduct which in the opinion of the Lottery Director may adversely impact the public's perception of the integrity, security, honesty, or fairness of the Lottery. Such misconduct includes but is not limited to dishonest, illegal or criminal activity on or off the Retailer premises;
    - (5) Retailer has been convicted of or pleaded nolo contendere to any offense punishable as a felony, any gambling-related offense, or any offense punishable as a misdemeanor where the underlying facts involved dishonesty, lack of integrity, or moral turpitude.
  - (c) **Failure to Comply With Retailer Contract.** Any Retailer who fails or is unwilling to comply with the Retailer Contract, as amended from time to time, must terminate the Contract. Failure to terminate the Contract will be deemed acceptance of the Contract as revised.
  - (d) **Sale or Use of Prohibited Products.**
    - (1) Retailer's Contract will be terminated if Retailer sells unauthorized lottery tickets or lottery products, lottery products from other jurisdictions, or sells Lottery tickets outside the state of California.
    - (2) Retailer's Contract will be terminated if Retailer participates in the promotion, distribution, sale or offering of raffles, sweepstakes, or other schemes, games or devices that state or federal law enforcement agencies determine to be illegal gambling/gambling devices or that the Lottery Director determines to be in competition with the Lottery or otherwise

adverse to the interests of the Lottery, regardless of whether such conduct occurs at the Retail location or elsewhere; this prohibition includes selling or facilitating the sale of Lottery tickets to any person, business, or other entity acting in their capacity as a Lottery courier.

- (e) **Payment of Prizes of \$600 or More.** Retailer may not pay prizes of \$600 or more. The Lottery will not reimburse Retailer for such payments and will not honor a claim submitted by Retailer for the prize. Retailer's Contract may be terminated for violating this provision.
- (f) **Failure to Pay the Full Prize Amount to a Winner.** Retailer's Contract may be terminated if Retailer pays a winner less than the full prize amount for a winning ticket worth \$599 or less.
- (g) **Failure to Comply with the Lottery's Retailer Access Program (RAP).** Retailer's failure to comply with the RAP will result in termination of Retailer's Contract. False representations of compliance with the RAP may also result in termination of Retailer's Contract.
- (h) **Business Reasons.**
  - (1) The Lottery may terminate Retailer's Contract for business reasons, including but not limited to changes in the Lottery's games, game delivery methodology, or business model, upon 30 days' written notice, except where, in the judgment of the Director, exigent circumstances warrant it, Retailer's Contract may be terminated without notice or on shortened notice. Where the Director terminates all Retailers of a particular class, type, trade style or all Retailers located in a specific geographical area, **there is no right of appeal.**
  - (2) The Lottery may terminate Retailer's Contract if the Lottery determines that the financial status of a Retailer, including but not limited to insolvency, bankruptcy, tax delinquencies, tax liens, or other financial circumstances may negatively affect and/or present an unacceptable risk of financial loss to the Lottery.
  - (3) The Lottery may terminate Retailer's Contract if Retailer fails to meet minimum sales requirements established by the Lottery.
- (i) **Further Reasons.** Retailer's Contract may be terminated if:
  - (1) Retailer or its employee, representative, or agent sells or allows the sale of Lottery tickets to a person under the age of 18.
  - (2) Retailer purchases or otherwise acquires winning tickets from prizewinners. Furthermore, the Lottery will not honor a Retailer's claim to a prize that has been purchased or otherwise acquired from a prizewinner.
  - (3) Retailer fails to follow any Lottery Contract provision, policy, instruction, directive, rule, requirement, or condition.

- (4) Retailer fails to maintain Lottery equipment, Lottery property, or Retailer's premises in a condition acceptable to the Lottery.
- (5) Retailer fails to adhere to the principle of fair chance.
- (6) Retailer fails to comply with the terms of Retailer Contract probation agreed to between Retailer and the Lottery.
- (7) The Lottery determines that it is in the Lottery's best interests to terminate Retailer's Contract.

**b. Retailer's Responsibilities upon Contract Termination.** At the close of business on the effective date of Contract termination, Retailer must: stop selling Lottery products; allow a Lottery representative to retrieve all Lottery equipment, materials, property, unsold Lottery products, and Retailer's Certificate of Authority; and immediately remit to the Lottery all funds, including outstanding sales revenue and/or purchase price of Lottery products, due and owing upon termination. The Lottery may reduce any compensation or bonus owing to Retailer by the amount owed to the Lottery. If the Lottery subsequently determines that additional funds are due and owing to the Lottery, the Lottery may electronically transfer funds from a Retailer's account. Retailer agrees to promptly remit all amounts due and authorizes the Lottery to electronically transfer funds from Retailer's EFT account. Retailer agrees to reimburse the Lottery for all costs and fees, including but not limited to attorneys' fees, that the Lottery incurs in the collection of amounts owed. In addition to the foregoing, Retailer must take such additional action as required by the Lottery upon termination.

**c. Retailer Contract Probation.** The Lottery may determine that its best interests would be served by offering Retailer probation in lieu of termination. Retailer will be notified in writing of the reasons warranting termination and the terms and conditions of the probation. Retailer's failure to comply with all conditions of probation will result in immediate Contract termination. **By accepting Contract probation, Retailer waives the right to appeal from such subsequent termination.**

**d. Warning Letter.** The Lottery may issue a warning letter to Retailer in lieu of termination or probation if the Lottery determines that its best interests would be served by issuance of the letter. The warning letter will direct Retailer to take appropriate steps to correct or eliminate an objectionable condition or occurrence and ensure that it does not happen again. The warning letter may set forth consequences if corrective measures are not taken. Failure by Retailer to comply with the direction set forth in the warning letter may result in termination.

## 6. LOTTERY EQUIPMENT.

**a. Equipment Selection, Placement, and Fees.** The Lottery in its sole discretion will determine the Lottery equipment that is appropriate for Retailer and the location for placement of all such equipment. Retailer must not move any Lottery equipment. Retailer must pay all equipment fees established by the Lottery, including a non-refundable installation fee, a weekly administrative fee, and a weekly equipment/monitor fee. Further, Retailer must comply with Lottery installation and placement requirements for all Lottery equipment. Retailer must monitor all equipment to ensure that no minors purchase and

play Lottery products. Retailers must also ensure that equipment placement complies with accessibility requirements set forth in the Lottery's RAP.

- (1) **Retailer Clerk Terminals.** Retailer must allow installation of computerized game terminals in Lottery-specified areas inside Retailer's business location. This includes the installation of either hardwired or wireless terminals that connect to Retailer point-of-sale devices. Retailer must operate the terminals as trained or instructed by the Lottery.
  - (2) **Self-Service Terminals.** Retailer must allow the Lottery to install self-service terminals in Lottery-approved, high-traffic, accessible locations inside the business and allow Lottery vendor access for maintenance.
  - (3) **Scratchers Dispensers.** Retailer must allow the Lottery to place/install Scratchers ticket dispenser(s) of any size or type in a Lottery-specified location.
  - (4) **Lottery Playcenters.** Playcenters are stand-alone devices from which Lottery customers can obtain Lottery materials including draw game playslips and Lottery-related information. Retailer must allow installation of a playcenter in a Lottery-approved area inside the business location in close proximity to other Lottery equipment. If a clipboard is attached to the playcenter when originally installed in Retailer's premises, Retailer will ensure that the clipboard remains attached to the playcenter and is easily accessible.
  - (5) **Monitors.** Retailer must allow installation of a Lottery monitor in a Lottery-approved area inside the business location. Retailer agrees to use Lottery-issued monitors for Lottery purposes only. Use of Lottery monitors for any non-Lottery purpose may result in termination of the Retailer Contract.
- b. California Lottery Products Only.** Retailer may use Lottery equipment only in California, at the retail location specified in the Retailer Application, and only for the marketing and sale of California Lottery products. Retailer must ensure that appropriate Lottery labels are displayed on Lottery equipment and must immediately report all missing, damaged, or destroyed equipment labels to the Lottery.
- c. No Ownership Interest.** Retailer has no ownership interest and will acquire no ownership rights in any Lottery-owned or Lottery-provided equipment. Retailer agrees that all Lottery equipment provided to Retailer will be returned to a Lottery representative immediately upon request. Retailer acknowledges that all equipment is subject to inspection and removal by the Lottery at any time.
- d. Release of Liability.** Retailer releases the Lottery from all liability for injuries or damage caused by the equipment and/or its installation, relocation, or removal.
- e. Missing, Stolen, or Damaged Equipment.**
- (1) Retailer is financially responsible and must compensate the Lottery for Lottery equipment provided to Retailer that is missing or has been stolen by Retailer or Retailer's family members, employees, agents, or customers.

- (2) Retailer is financially responsible for all loss of or damage to Lottery equipment caused by the intentional or negligent acts of Retailer or Retailer's family members, employees, agents, or customers.
- (3) In the Lottery Director's sole discretion, the Lottery may replace equipment stolen, vandalized, damaged or destroyed by third parties at no cost to the Retailer, where the Retailer, the Retailer's family members, employees and agents are not implicated.
- (4) In the Lottery Director's sole discretion, the Lottery may replace equipment lost or damaged due to fire, flood, earthquake, or similar hazard.
- (5) If Retailer recovers all or any portion of the equipment loss from an insurer or other third party, Retailer must immediately notify the Lottery so that the Lottery may offset Retailer's account to reflect the Lottery's share of such recovery. Failure to notify the Lottery of any recovery by the Retailer from an insurer or other third party may result in immediate Contract termination.

## 7. REPORTING REQUIREMENTS.

### a. Retailer's Reporting Requirements. Retailer must comply with the following reporting requirements:

- (1) Report any proposed or actual change in (a) tradestyle or location; or (b) ownership, partnership, officers, directors, and/or issuance or transfer of shares of stock that result in an individual not previously approved by the Lottery acquiring a 10% or greater interest in the Retailer business. This should be done by contacting the Lottery's Sales Division either at Retailer's local Lottery District Office or Lottery Headquarters at 1-855-EZ LOTTO. Ensure that this notification occurs at least 30 calendar days prior to the effective date of the change. Failure to notify the Lottery could lead to significant delays in the approval process for the new owner to become a Lottery Retailer.
- (2) Report any claim, allegation or knowledge of unlawful activity and/or other impropriety that concerns the sale of Lottery products at Retailer's location or elsewhere by immediately contacting the Lottery's Security/Law Enforcement Division at 1-855-EZ LOTTO.
- (3) Report any change in Retailer's financial condition, including but not limited to bankruptcy, delinquent taxes owed, and tax liens on Retailer's business, by immediately contacting the Lottery's Finance Division, Retailer Financial Services Section at 1-855-EZ LOTTO, Option 3.
- (4) Report any proposed change in financial institution by submitting an EFT authorization form reflecting the change(s) to the Lottery's Finance Division, Retailer Financial Services Section, at least 30 calendar days prior to the effective date of the change.
- (5) Report any change in Retailer's taxpayer name and/or identification number by immediately contacting the Lottery's Sales Division at either the local Lottery District Office or at Lottery Headquarters at 1-855-EZ LOTTO, at least 30 calendar

days prior to the effective date of the change.

- (6) Report any theft of Lottery products to local law enforcement and the Lottery's Security/Law Enforcement Division at 1-855-EZ LOTTO, Option 5. immediately upon discovery, but no later than four hours after discovery. Retailer must be able to provide the Lottery with the game and pack number(s) of stolen Scratchers tickets to be considered for an adjustment to its account. It is at the sole discretion of the Lottery Director whether Retailer will be reimbursed in whole or in part for stolen tickets. It is Retailer's sole responsibility to keep detailed, complete, accurate, daily inventory records for all Lottery tickets.
- (7) Report any damaged or misprinted tickets delivered to Retailer, as well as missing tickets or lost tickets, by immediately contacting the Lottery's Sales Division at Retailer's local Lottery District Office or at Lottery Headquarters at 1-855-EZ LOTTO.
- (8) Provide any information requested by the Lottery, such as information about equipment, service, accessibility, records, payment, or any other information immediately upon request.

**b. Lottery's Reporting Requirements.** The Lottery will comply with applicable law and regulations and will report to the Internal Revenue Service payments made by the Lottery to Retailer of \$600 or more in a tax year.

## 8. CONDUCT.

Retailer agrees that in relation to Retailer's sale and redemption of Lottery products, Retailer, its employees, representatives, and agents will conduct themselves in a professional and courteous manner in all dealings with the public, Lottery players, Lottery representatives, and Lottery contractors, and their employees, representatives, and agents. The Retailer Code of Conduct can be found on the Lottery's Retailer website, under Retailer Documents, at [www.calottery.com/retailer](http://www.calottery.com/retailer).

## 9. COOPERATION WITH LOTTERY REPRESENTATIVES.

Retailer agrees to fully cooperate with the Lottery, local or state law enforcement, and other agencies in matters involving Lottery products, including allowing access to its premises during business hours for inspection, collection of evidence, monitoring, evaluation, examination of records, and/or compliance with Retailer Contract terms.

### Revision History:

Action Date	Action	Section(s) Revised	Effective Date
03-2014	Approval	All	06-2014
12-2015	Revision	4.b.3(c) Minimum cashing amount	12-2015
07-2021	Revision	1.i Indemnification – added 'defend'	07-2021
11-2023	Revision	2.f.1-2 Stolen Tickets	02-2024
04-2026	Revision	All	04-2026