



**Gaming
Commission**

**Lottery Courier Service
License Application**

Name of Applicant:

Lottery Courier Service License Application

APPLICATION INSTRUCTIONS

I. COMPLETING THIS FORM:

- A. An officer of the Applicant shall complete this application. The Applicant may be referred to in this application as the “Enterprise” or as “You.” For purposes of this application, “Enterprise” means any corporation, limited liability company, association, operation, firm, partnership, trust or other form of business association, a sole proprietor, or a natural person.
- B. Read each question carefully prior to answering. Answer every question completely. Do not leave blank spaces. If any question does not apply to you, write “Does Not Apply” in response to that question. If there is nothing to disclose in response to a particular question, write “None” in response to that question.
- C. All information requested in this application must be submitted herewith even if previously submitted with a prior application or otherwise provided to the Commission.
- D. All entries on this form, except initials and signatures, must be typed or printed using only dark ink. If the application is not legible, the application will not be accepted.
- E. If you need additional space to answer any questions, you may include attachments. If you include attachments, be sure to indicate on each page of each attachment the number of the related question that you are answering and reference the attachment in the space provided on this application.
- F. If you make any modification to the questions or information contained on this application, your application may be rejected.

II. BE SURE TO:

- A. Sign the following forms in the presence of a notary public and have your signatures notarized on the following:
 - 1. Statement of Authority and Accuracy
 - 2. Release Authorization
 - 3. Affidavit of Compliance
 - 4. Statement of Indemnification
- B. Initial each page of this application in the space provided after you have checked your answers and are sure all answers are complete and correct.

III. BEFORE YOU SUBMIT THIS FORM, BE SURE THAT:

- A. All attachments required for this form are included with the original application and the two photocopied applications.

Lottery Courier Service License Application

- B. The Statement of Authority and Accuracy, Release Authorization, and the Affidavit of Compliance forms are notarized on the original application. The photocopied applications must include copies of the notarized signatures as they are found on the original application.
- C. Every question has been answered truthfully and completely.
- D. You retain a completed copy of this application and attachments for your own records.

IV. FILING OF THIS FORM WITH THE NEW YORK STATE GAMING COMMISSION

Submit the **original and two photocopies** of this completed application and attachments to:
Bureau of Licensing
New York State Gaming Commission
P.O. Box 7500
Schenectady, NY 12301-7500

V. IMPORTANT NOTICES

- A. All notices regarding your application will be sent to the address you provide on this application. You must notify the Commission's Bureau of Licensing immediately if you change your address. If you change your address and do not notify the Commission, any attempt by the Commission to contact you at the last address provided to the Commission will be deemed reasonable notice to you.
- B. A false statement on any part of your application may be grounds for denying a license. Also, you may be subject to criminal prosecution pursuant to New York State Penal Law sections 175.30, 175.35 and/or 210.45.
- C. The information provided in this application will be kept confidential to the extent permissible by law. No expectation of confidentiality should apply to requests for such information or records from any tribal, federal, or state law enforcement or regulatory agency, through the New York State Freedom of Information Law (New York Public Officers Law Article 6; "FOIL"), or for the use of such information or records by the Commission and staff in the performance of official duties.
- D. If at any time you wish to change any response in this application, and/or if any of the facts and circumstances disclosed in the completed application change, you must immediately notify the Commission. For those changed items proposed that require Commission approval, you must obtain such approval prior to implementation of such change.
- E. All reference to rules and regulations in this application are to sections of Title 9 of the New York Codes, Rules and Regulations.

Lottery Courier Service License Application

F. Pursuant to New York State Tax Law § 1605(e), owners, officers, directors, members, partner, and principal management employees may be required to be fingerprinted as part of the application process. Upon receipt of the completed application, the Commission will advise each Applicant of the fingerprinting requirements. Each Applicant shall bear the expense of this process.

VI. RELEASE OF LIABILITY

Notwithstanding any assurance of confidentiality contained in this application, the Applicant, by completing and submitting this application, releases the State of New York and its divisions, agencies, instrumentalities, officers, employees, and agents from any and all liability costs, claims, or damages that may result from any disclosure or publication in any manner, other than an intentionally unlawful disclosure or publication.

Lottery Courier Service License Application

1) Applicant Name * :				
Business Address:				
	Number and Street	City/Town	State	Zip/Postal Code
Mailing Address: (if different than Business Address)				
	Number and Street	City/Town	State	Zip/Postal Code
2) Business Telephone No.:		Fax No.:		
	(Area Code) (Telephone Number)		(Area Code) (Telephone Number)	
3) Web Address:			FEIN #:	
			NYS TIN #:	

4) Contact. Provide the following information for the individual officer designated to act as point of contact on behalf of the Applicant, for communications between the Commission and the Applicant regarding this application.

Name of Applicant's Designated Contact Person:

Title / Capacity:

Telephone Number:

E-Mail Address:

Mailing Address:

ENTITY AND BACKGROUND INFORMATION

5) Organizational Documents.

Pursuant to New York State General Business Law section 130, a courier service shall register and qualify to do business in New York State. Provide a copy of the appropriate filing receipt from the New

* Include the Applicant's legal name and "d/b/a" name or identity, if any.

Lottery Courier Service License Application

York State Department of State granting authority to the Applicant to do business in New York State.
(Label as Exhibit 5)

6) Ownership.

Set forth the ownership structure, direct and indirect, of the Applicant (flow or organizational chart preferred), such that each intermediate owner of more than 10% of the Applicant is identified and each ultimate beneficial owner of more than 10% of the Applicant is identified. For each owner, direct and indirect, that is disclosed, indicate the percentage of ownership. (Label as Exhibit 6)

7) Officers and Managers.

List the name, home address, date of birth and title or position at the date of this application for: (1) each officer, director, member or partner; and (2) each principal management employee (including, without limitation, any chief executive officer, chief financial officer, chief operating officer, and chief information/technology officer) of the Applicant. (If additional space is needed, label as Exhibit 7)

NAME	HOME ADDRESS	DATE OF BIRTH	CURRENT TITLE OR POSITION

Lottery Courier Service License Application

8) Financial responsibility. See § 5014.2(b)(1).

- a) Provide as Exhibit 8a the Applicant's most recent financial statements audited in accordance with generally accepted auditing standards (See § 5014.15(a)(1));
- b) Provide as Exhibit 8b a copy of the most recent management letter prepared by an independent certified public accountant that lists any internal control or operational weaknesses noted during the financial statement audit and recommendations for improvement. Include with the management letter Applicant's response letter that describes any corrective actions taken or planned to be taken. (See § 5014.15(a)(2)).
- c) If the Applicant or any of its affiliates is publicly held, provide as Exhibit 8c written notice to the Commission of any report, including, without limitation, forms S-1, 8-K, 10-Q, 10-K, proxy or information statements, and all registration statements required to be filed by Applicant or its affiliates with the United States Securities and Exchange Division or other domestic or foreign securities regulatory agency, at the time of filing with such agency. (See § 5014.15(a)(3)).
- d) Describe in Exhibit 8d all debts of the Applicant, and direct and indirect owners thereof, to State or local government. (See § 5014.2(b)(7)).
- e) Tax Delinquencies and Related Pending Proceedings. Is the Applicant or any of its direct and indirect owners, officers, directors, members, or partners currently the subject of any ongoing examination/investigation by the Internal Revenue Service (IRS), New York State Department of Tax and Finance, or any other tribal, federal, state, local, or foreign regulatory or law enforcement agency or authority **and/or** has the Applicant or any of its direct and indirect owners, officers, directors, members, or partners been served with or had filed against them a notice or complaint regarding the delinquent payment of any tax required under tribal, federal, state, local, or foreign law in the past 10 years? Yes No

If you answered YES, in an attachment labeled Exhibit 8e disclose the name of the taxing authority, type of tax, dates involved, amount of issue and the disposition.

- g) Bankruptcy. Has the Applicant, its parent, holding, intermediary, or subsidiary companies had any petition under any provision of the Federal Bankruptcy Act or any other jurisdiction's insolvency law filed by or against it **and/or** has the Applicant, its parent, holding, intermediary, or subsidiary companies sought relief under any provision of the Federal Bankruptcy Act or under any other jurisdiction's insolvency law **and/or** has any receiver, fiscal agent, trustee, reorganization trustee, or similar officer been appointed by a court for the business or property of the Applicant, its parent, holding, intermediary, or subsidiary companies in the past 10-year period? Yes No

Lottery Courier Service License Application

If you answered YES, in an attachment labeled Exhibit 8f identify the entity that brought the petition or other complaint, the Court, date filed, reason, disposition, and name of the individual appointed as Receiver (if applicable).

9) Experience in a regulated industry.

- a) List in Exhibit 9a each jurisdiction in which the Applicant and any related party, including, without limitation, any direct and indirect owners, officers, directors, members, or partners thereof holds or has held a license relating to gambling or gaming in the past 20 years and describe the nature of the license held.
- b) Has any license or permit held by the Applicant and any related party, including, without limitation, any direct and indirect owners, officers, directors, members, or partners thereof, been **suspended, revoked or denied, or has a fine been imposed** by any tribal, federal, state, local, or foreign government and/or regulatory agency? Include a list of any pending matters and describe.

Yes No

If you answered YES, in an attachment labeled Exhibit 9b describe each incident in detail and provide a copy of all the relevant information.

10) Criminal Proceedings.

Has the Applicant, any of its subsidiaries, or any related party, including, without limitation, any direct and indirect owners, officers, directors, members, or partners thereof, in any tribal, federal, state, local, or foreign jurisdiction, either (a) pled guilty, pled *nolo contendere*, been found guilty or been convicted, or forfeited bail, or been fined or otherwise sanctioned, for any criminal offense (as defined here), or (b) been named as an unindicted co-conspirator in any criminal proceeding?

Yes No

If you answered YES, for each incident provide the name of the case and docket number, the name and location of each law enforcement agency and court, the nature and date of the criminal offense, the disposition, and all relevant information in an attachment labeled Exhibit 10.

Lottery Courier Service License Application

11) Intellectual property.

Has the Applicant used trademarks or any other marks owned or controlled by the Commission or any multi-state lottery consortium without explicit approval of the trademark owner? (See § 5014.3(a)(6))

Yes No

12) Proposed network. Does the Applicant operate a computer or mobile network platform currently? If so, describe in Exhibit 12 the business experience of the Applicant and any related party (including, without limitation, any direct and indirect owners, officers and/or directors thereof) operating such a network or networks. Describe all networks the Applicant or related parties operate or have operated, the locations in which these networks are (or have been) operated, whether any such networks related to lottery or any other form of gambling or gaming, (see § 5014.2(b)(8)), and the extent to which persons under the age of 18 frequent such networks (see § 5014.2(b)(3)).

PROPOSED COURIER SERVICE OPERATIONS

13)

(a) **Request Processing Location.** Identify the location within New York State where the Applicant will receive and process courier service requests. (See §§ 5000.2(p) and 5014.7(d)).

LOCATION ADDRESS	TELEPHONE #	LOCATION CONTACT NAME

(b) **Ticket Processing Location.** Identify the location within New York State where the Applicant will process tickets obtained from a licensed sales agent (please be sure to specify Applicant ticket processing location (*i.e.*, scanning tickets and fulfilling prizes) and NOT sales agent ticket printing location). (See §§ 5000.2(p) 5014.7(d)).

LOCATION ADDRESS	TELEPHONE #	LOCATION CONTACT NAME

14) Business Plan

Provide the Applicant’s business plan for courier services as Exhibit 14 (see § 5014.2(b)(11)). Such plan shall include:

- a) the estimated sales per week (see § 5014.2(b)(4));
- b) a list of the Lottery games the Applicant intends to offer (see §§ 5014.3(a)(7) and (b) and 5014.5);

Lottery Courier Service License Application

- c) proposed service charge, if any (see § 5014.19(a));
 - d) proposed methods for funding of accounts (see § 5014.10(c));
 - e) a description of the Applicant's customer support policies and procedures, including responding to and resolving inquiries, complaints and disputes; maintaining a permanent record summarizing the number and nature of consumer complaints and the resolution or outcome of such complaints; and maintaining records of customer complaints for a period of two years, including:
 - i.) the original or copies of the complaint;
 - ii.) all written communications between the licensee and the complainant;
 - iii.) all documents or telephone recordings created in connection with a complaint;
 - iv.) any documentation provided to the courier customer by the licensee;
 - v.) the name and address of the complainant;
 - vi.) the purpose of the complaint;
 - vii.) the date the complaint was received by the courier service;
 - viii.) the complaint denial whenever a complaint is denied; and
 - ix.) any additional information used by the courier service in determining how to resolve the complaint
- (see §§ 5014.3(a)(8) and 5014.18);
- f) sample courier customer agreement and sample user terms and conditions (see § 5014.6);
 - g) marketing plans, network promotional features, discounts, group packages; and
 - h) a list of any Lottery sales agents with whom the Applicant intends to partner or from whom the Applicant intends to purchase Lottery tickets;
 - i) a description of how the Applicant intends to accept a request to purchase authorized game tickets.

15) Internal Controls

Provide as Exhibit 15 the Applicant's existing or proposed internal controls and the purpose of each. Internal controls should demonstrate that the Applicant has adequate controls in place to address data security, responsiveness to cybersecurity events to mitigate any negative events, recovery from cybersecurity events and restoration of normal operations and services, risk assessment and mitigation, training, access controls and identity management, systems operations and availability concerns, courier customer data privacy, incident response, disaster recovery, document retention and any other relevant control issue. (See §§ 5014.2(b)(10) and 5014.16). If proposed controls are submitted with this application, the Applicant shall submit final controls to the Commission and obtain final Commission approval for Applicant's internal controls prior to Applicant's system going live.

Describe the controls Applicant has in place to ensure that no courier customer is able to establish more than one courier customer account with Applicant. (See § 5014.10(b)).

Lottery Courier Service License Application

16) Financial Controls

Provide as Exhibit 16:

- a) the Applicant's financial controls and purpose of each. Financial controls shall ensure financial statement reliability, the safeguarding of courier customer personal information including credit cards, banking information, and other personal financial information, including safeguarding the system as a whole. (See §§ 5014.2(b)(10) and 5014.15);
- b) the individual or entity you propose to perform an independent audit and compliance certification as required by § 5014.3(c); and
- c) the 12-month period that is Applicant's fiscal year.

17) Technical standards

Describe in Exhibit 17 how the Applicant will process each courier customer ticket purchase request. Specifically discuss how the following processes will be completed (see § 5014.2(b)(10)):

- a) accepting a request to purchase authorized game tickets;
- b) generating the tickets to complete the courier customer's purchase request through a dedicated terminal of affiliate agent;
- c) recording image of the front and back of the ticket to create a legible image thereof;
- d) matching the ticket to the courier customer's purchase request and verifying the accuracy of the purchase;
- e) providing the courier customer with a purchase confirmation and an image of the front and back of the ticket purchased including watermark;
- f) processing and recording each ticket purchased as an individualized transaction;
- g) processing and recording of multi-drawing Lottery tickets;
- h) handling required ticket cancellation and refunds (see §§ 5014.12(b) and 5014.19(d));
- i) providing to each courier customer each promotional benefit to which such courier customer is entitled (see § 5014.17(a));
- j) ensuring tickets remain secure from Lottery sales agent location (where ticket purchase occurs) to Applicant's location for processing;
- k) sample incident reports and proposed escalation plan by incident type (see § 5014.7(h)); and

Lottery Courier Service License Application

- l) if Applicant intends to employ courier-service-produced play slips, how such play slips would be at least as accurate as the play slips supplied by the Commission and provide proof that such method or means has been tested and verified by an independent third-party testing facility. (see § 5014.7(e)).

Also describe in Exhibit 17 the display notice warning of the risk of being defrauded by lottery scams and information on playing responsibly (see §§ 5014.2(b)(10) and 5014.3(a)(1)).

18) Self-Exclusion and Request Limit

- a) Describe in Exhibit 18a how the Applicant will maintain a courier customer self-exclusion list. Such description shall explain:

- i.) the Applicant's mechanism for allowing courier customers to register through Applicant's network to exclude themselves from using the network;
- ii.) an explanation of Applicant's mechanism of ensuring that any courier customer placed on the self-exclusion list is prevented from requesting tickets through Applicant's network; and

- b) Describe in Exhibit 18b how the Applicant will ensure the Applicant's network includes the following features:

- i.) a daily courier customer request limit of an amount approved by the Commission, which may provide that prize amounts of \$600 or less awarded to a courier customer and credited to the courier customer's account may be excluded from the daily request limit;
- ii.) the ability for a courier customer to set a lower personal daily request limit; and
- iii.) a waiting period, as determined by the Commission, before a courier customer can raise a previously set personal daily request limit. (See § 5014.3(a)(2) and (3)).

19) Database, Network, Platform, Ticket Processing

Describe in Exhibit 19:

- a) the Applicant's courier customer and ticket management system, to include a secure database of all tickets requested through Applicant's network;
- b) Applicant's method of restricting its receipt of requests for courier services to only those made by courier customers physically located in the State of New York at the time of purchase (See § 5014.7(a));
- c) Applicant's method of restricting requests for courier services to exclude those made from any area within the State of New York that the Commission designates as a prohibited sales area (See § 5014.7(b));

Lottery Courier Service License Application

- d) Applicant's method of providing a courier customer with the location of the nearest Lottery sales agents using GPS technology. In the event a courier customer attempts to request courier services through the network of a courier service in the period between the halt of requests via the network but prior to the drawing cutoff, such method shall be capable of directing the courier customer to the nearest Lottery sales agent in a timely manner (see § 5014.7(c));
- e) whether Applicant's proposed network is frequented by persons under the age of 18 years (see § 5014.2(b)(3));
- f) Applicant's method for ensuring delivery only of draw games as approved by the Commission for delivery by the Applicant. (See §§ 5014.3 (7));
- g) where on the Applicant's network the text required by section 5014.11(b)(1) will appear and provide a sample screenshot;
- h) where on the Applicant's network the warning required by section 5014.11(b)(2) will appear and provide a sample screenshot; and
- i) where on the Applicant's network the drawing cutoff message required by section 5014.12(a)(2) will appear and provide a sample screenshot.

20) Ticket Confirmation

Describe in Exhibit 20 the Applicant's mechanisms for:

- a) providing a customer with an email confirmation of the purchase or procurement of the ticket, including the relevant game, applicable draw data and player's name, immediately following a request for courier services or issuance of a ticket pursuant to a Lottery promotion (See § 5014.7(f)(1));
- b) providing a customer with an email confirmation of the ticket processing immediately following ticket processing, including the serial number of the ticket and the relevant game, applicable data and player's name (see § 5014.7(f)(2)); and
- c) providing a customer with an image of the front and back of an issued ticket in its entirety, which image shall contain a watermark of the ticket (see § 5014.7(f)(3)).

Describe how the mechanism to provide the customer with an image of the front and back of the ticket ensures that:

- a) the image is available within the timeframe for ticket processing as set forth in section 5014.12(a);
- b) the image is available only for the purchaser of the ticket to view through the network; and
- c) is not accessible by any other use of the network (see § 5014.7(f)(3)).

Lottery Courier Service License Application

21) Record of Courier Customer Purchases

Describe in Exhibit 21

- a) the Applicant's method for providing to the Commission in an electronic format, no later than 15 minutes before the drawing to which such data relates, the following data for each drawing for which Applicant provides a ticket:
 - i) Lottery game;
 - ii) drawing date and time;
 - iii) full name of the courier customer as set forth in such customer's account;
 - iv) customer account number;
 - v) electronic mail address of the courier customer;
 - vi) date the ticket was issued;
 - vii) Lottery transaction identification number for the purchase transaction;
 - viii) location of the purchase; and
 - ix) time of the purchase (see § 5014.7(g)).
- b) the storage location and security specifications for the storage of each physical ticket purchased on behalf of customers (see § 5014.12(e)).
- c) the Applicant's ticket retention and destruction procedures (see §§ 5014.12(f) and 5014.13).

22) Prevention of use by Prohibited Persons

Describe in Exhibit 22 the Applicant's procedures for preventing the following persons from opening an account or placing a request for courier services through Applicant's network:

- a) persons under the age of 18 (see § 5014.8(a)(1)), including:
 - i) specification of parental controls procedures to allow parents and guardians to exclude persons under the age of 18 from placing a request for courier services through Applicant's network, explaining what information is made available about the specific steps a parent or guardian may take to implement parental controls, including the toll-free number that a licensee shall provide for individuals seeking help in establishing such parental controls (see § 5014.8(b)(1)(i));

Lottery Courier Service License Application

- ii) a detailed explanation of the steps taken to prevent persons under the age of 18 from placing a request for courier services through Applicant's network, explaining what types of native or third-party age verification procedures are implemented to verify that each person registering for an account with such licensee is not under the age of 18 (see § 5014.8(b)(1)(ii));
 - iii) procedures used to identify and deactivate accounts created or used by persons under the age of 18 and to exclude such persons from all paid activity offered through Applicant's network (see § 5014.8(b)(1)(iii));
 - iv) verification that any account balance attributable to a person under the age of 18 shall be refunded, less any prizes already awarded, within no more than two business days of discovery that such account is attributable to such person (see § 5014.8(b)(1)(iv));
 - v) explanation of how deposits made by a person under the age of 18 will be refunded upon discovery that an account is attributable to such person (see § 5014.8(b)(1)(iv)); and
 - vi) procedures to ensure that persons under the age of 18 do not receive promotional materials that relate to Applicant's network (see § 5014.8(b)(1)(v)).
- b) employees, officers, directors, or direct or indirect owners of Applicant (see § 5014.8(a)(2));
 - c) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any employee, officer, director, or direct or indirect owner of Applicant (see § 5014.8(a)(3));
 - d) any person identified on a restricted list the Commission provides (see § 5014.8(a)(4)); and
 - e) players not physically present in the state of New York State at the time of request (see § 5014.8(b)(2)).

Provide a copy of Applicant's terms of use applicable to Applicant's network specifying that the aforementioned categories of individuals are prohibited from placing requests for courier services through Applicant's network (see § 5014.8(c)).

23) Banking.

Provide in Exhibit 23 the name of the national or State chartered banking institution where the Applicant has established (or will establish) a trust account with balances sufficient to pay all money deposited by or on behalf of courier customers for the purchase of tickets, including all courier customer prizes, with documented proof of the existence of the account and current balance (see § 5014.10(d)).

24) Anti-Money Laundering

Describe in Exhibit 24 the following anti-money laundering procedures for the Applicant:

Lottery Courier Service License Application

- a) an established system of internal policies, procedures and controls to assess anti-money laundering related risks, considering, among other things, play volume and character, range of financial services offered, characteristics of certain games, contestant behaviors and contestant characteristics (see § 5014.15(b)(1));
- b) the name, resume and relevant certifications of Applicant's designated anti-money laundering compliance officer (see § 5014.15(b)(2));
- c) copies of an internal and/or external independent audit conducted to test for compliance (see § 5014.15(b)(3));
- d) training for appropriate employees in reportable currency transactions and identifying unusual or suspicious transactions (see § 5014.15(b)(4));
- e) assignment of an individual or group of individuals to be responsible for day-to-day compliance (see § 5014.15(b)(5)); and
- f) automated programs to aid in assuring compliance when automated processing systems are in use (see § 5014.15(b)(6)).

25) Indemnification and Insurance

Provide as Exhibit 25a the executed Statement of Indemnification in the form attached (see § 5014.3(d)).

Prior to approval, provide as Exhibit 25b proof of the Applicant's insurance coverage, including a declarations page (or pages) showing limits of liability for each type of coverage required as attached under "Exhibit 26b Requirements" (see § 5014.3(e)).

26) Independent Third-Party Testing

As a condition to the issuance of a courier service license, Applicant's interactive systems, equipment and/or related components must undergo independent third-party testing pursuant to § 5014.9 prior to approval (see also § 5014.3(f)). Provide in Exhibit 26 the name and address of the laboratory that conducted this testing, explaining whether testing of the following occurred:

- a) player account registration;
- b) player account controls;
- c) control program;
- d) client software;
- e) gaming disable/enable;

Lottery Courier Service License Application

- f) shutdown and recovery;
- g) malfunction;
- h) geolocation;
- i) advertising;
- j) player loyalty programs;
- k) reporting;
- l) player interface;
- m) game recall;
- n) information security policy;
- o) administrative controls;
- p) technical controls;
- q) physical and environmental controls; and
- r) any other function or feature as required by the Commission.

Include within Exhibit 26 any written reports supplied by the laboratory. If applicable, explain why any of the aforementioned topics in a through r above was/were not the subject of testing. (see §§ 5014.3(f) and 5014.9).

27) Backup database

Provide as Exhibit 27, a detailed description of Applicant's secure backup database located at a separate physical location from Applicant's primary database (see § 5014.3(a)(5)).

28) Notification of and Payment of Prizewinners

Describe the following in Exhibit 28 (see § 5014.14):

- a) the process and methods used by Applicant to notify a courier customer of any winning amount within one hour of the Commission's publication of winning numbers and prize amounts;
- b) applicant's procedures to notify the Commission of the identity of prizewinner, prize amount and game details for individual prizes of more than \$600;
- c) the process to validate and redeem winning ticket on behalf of the courier customer for a prize of \$600 or less and proposed methods of prize payment;

Lottery Courier Service License Application

- d) applicant's procedures for handling prizes above the \$600 threshold pursuant to § 5014.14(c);
and
- e) the method used to print prizewinner's full name on the back of a winning ticket.

Lottery Courier Service License Application

STATEMENT OF AUTHORITY AND ACCURACY

STATE OF _____)

) SS:

COUNTY OF _____)

I, _____, on behalf of _____, hereafter referred to as
(Print or Type Name of individual) *(Legal Name of Applicant)*

“the Applicant”, being duly sworn according to law deposes and says:

1. I am authorized to submit the information in this application by and on behalf of the Applicant.
2. I personally supplied the information contained in this form on behalf of the Applicant and I swear that the information provided is true and correct.
3. I understand and read the English language or I have had a competent interpreter read and explain the questions and requirements to me, and record the answer I have given to each and every question on this application.
4. I swear that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me is intentionally false, I am subject to punishment, which may include sanctions for violation of the New York State Penal Law.
5. I understand that a license that may be issued pursuant to this license application shall be deemed conditioned upon the Applicant's compliance with the provisions of applicable statutes rules and regulations, orders and directives of the New York State Gaming Commission.

Dated: _____

(Signature of Individual named above)

(Print or Type the Individual's Capacity / Title)

Subscribed and sworn to before me this
____ day of _____, 20____.

NOTARY PUBLIC

State of _____
County of _____
Commission expires _____

Initials_____

Lottery Courier Service License Application

RELEASE AUTHORIZATION

STATE OF _____)

) SS:

COUNTY OF _____)

To All Courts, Probation Departments, Selective Services Boards, Employers, Educational Institutions, Credit Reporting Agencies, Banks, Financial and Other Such Institutions, and All Governmental Agencies – tribal, federal, state, and local, without exception, both foreign and domestic:

I, _____, on behalf of _____, hereafter referred to as
(Print or Type Name of individual) *(Legal Name of Applicant)*

“the Applicant”, have authorized the New York State Gaming Commission or its designee to conduct a full investigation of the Applicant’s background, credit, and activities.

You are hereby authorized to release any and all information pertaining to the Applicant, documentary or otherwise, as requested by any employee or agent of the New York State Gaming Commission, provided that such employee or agent certifies to you that the Applicant has an application pending before the New York State Gaming Commission or that the Applicant is presently a licensee, registrant or other person or entity required to be qualified or licensed pursuant to the New York State Racing, Pari-Mutuel Wagering and Breeding Law, New York State Tax Law, and/or rules and regulations of the New York State Gaming Commission.

This authorization shall supersede and countermand any prior request or authorization to the contrary.

A copy of this authorization will be considered as effective and valid as the original.

Dated: _____

(Signature of Individual named above)

(Print or Type the Individual’s Capacity / Title)

Subscribed before me this
_____ day of _____, 20____.

NOTARY PUBLIC

State of _____

County of _____

Commission expires _____

Initials_____

Lottery Courier Service License Application

AFFIDAVIT OF COMPLIANCE

STATE OF _____)

) SS:

COUNTY OF _____)

I, _____, on behalf of _____,
(Print or Type Name of individual) *(Legal Name of Applicant)*

hereafter referred to as "the Applicant", being duly sworn, according to law deposes and states that the Applicant and its employees understand and shall comply with the provisions of applicable statutes, rules, regulations, orders and directives of the New York State Gaming Commission.

Dated: _____

(Signature of Individual named above)

(Print or Type the Individual's Capacity / Title)

Subscribed and sworn to before me this
_____ day of _____, 20_____.

NOTARY PUBLIC

State of _____
County of _____
Commission expires _____

Lottery Courier Service License Application

Exhibit 25a

STATEMENT OF INDEMNIFICATION

STATE OF _____)
) SS:
COUNTY OF _____)

I, _____, on behalf of _____, being duly sworn
(Print or Type Name of individual) (Legal Name of Applicant)

according to law deposes and says in consideration of the receipt of a New York State Gaming Commission Lottery Courier Service license and as required by 9 NYCRR § 5014.3(d), the Applicant, through the undersigned authorized representative, agrees to do the following:

1. indemnify and hold harmless the State, the Commission and any of the employees of the State or the Commission from any and all claims, damages, claims for damages, causes of action or suits that may arise or occur directly or indirectly as a result of:
 - a. any act or omission of Applicant that affects the State, the Commission and any of the employees of the State or the Commission; and
 - b. any purchase of courier services through the courier service’s network or any operation carried on, under and/or pursuant to a courier service;

2. release the State, the Commission and any of the employees of the State or the Commission from any and all claims, damages, claims for damages, causes of action or suits that shall accrue to the Applicant, such Applicant’s employees, representative or agents that may arise or occur directly or indirectly as a result of any operation carried on, under and/or pursuant to such license; and

3. defend, at Applicant’s own expense, any and all causes of action or suits against the State that may be brought by any party, including any courier customer, that may arise or occur directly or indirectly out of any act or omission of such licensee or operation carried on pursuant to or in accordance with such license, the placement of requests for courier services through Applicant’s network or the generation of, or failure to generate, lottery tickets to complete ticket purchases related to such requests for courier services.

Dated: _____

(Signature)

(Print or Type Name and Capacity / Title)

Subscribed and sworn to before me this
_____ day of _____, 20_____.

NOTARY PUBLIC

State of _____
County of _____
Commission expires _____

Lottery Courier Service License Application

EXHIBIT 26B REQUIREMENTS

Insurer Qualifications

A licensed lottery courier service (“Licensee”), prior to operating as such in New York State, shall procure at its sole cost and expense and shall maintain in force at all times during the term of the License, policies of insurance as set forth in this Exhibit 26B. All insurance policies must be written by a Class VII company with a current rating of “A-” or better as rated by A.M. Best & Co., have a record of successful continuous operation, and are licensed, admitted, and authorized to do business in the State of New York and are approved by the Commission. The Commission may, in its sole discretion, accept policies of insurance written by a non-authorized carrier or carriers when certificates and/or other policy documents are accompanied by a completed Excess Lines Association of New York (ELANY) affidavit or other documents demonstrating the company’s strong financial rating. If, during the term of a policy, the carrier’s A.M. Best rating falls below “A-,” Class “VII,” the insurance must be replaced, on or before the renewal date of the policy, with insurance that meets the requirements above.

Required coverage and limits must be put into effect as of the effective date of the lottery courier service license (“License”) and must remain in effect throughout the term of such License, as determined by the Commission.

Insurance Requirements

As a condition of the License, Licensee shall deliver to the Commission evidence of such insurance coverage as defined below. In the event there is a claim asserted that is covered by insurance, Licensee shall deliver to the Commission upon the Commission’s request any applicable policy required by this Exhibit 26B.

Throughout the license period, Licensee shall notify the Commission of any material changes to the policy coverages or any cancellations prior to the expiration date. The carrier also shall send to the Commission notification of cancellation, termination, or failure to renew any policy in accordance with the policy provisions when practicable.

General Conditions

A. Conditions Applicable to Insurance. All policies of insurance required by the Commission as a condition of the License must meet the following requirements:

1. Coverage Types and Policy Limits. The types of insurance coverage and policy limits required from Licensee are specified in Paragraph B (Specific Coverages and Limits) below.

2. Policy Forms. Policies must be written on an **occurrence** basis, except as may be otherwise specifically provided herein, or agreed to in writing by the Commission. Under certain circumstances, the Commission may elect to accept policies written on a claims-made basis provided that, at a minimum, the policy remains in force throughout the performance of the services and for three years after the License is no longer in effect, unless otherwise specifically provided herein. If the policy is cancelled or not renewed during that time, Licensee must purchase at its sole expense Discovery Clause coverage sufficient to complete the three-year period after the License

Lottery Courier Service License Application

is no longer in effect, unless specifically provided herein. Written proof of this extended reporting period must be provided to the Commission prior to the expiration or cancellation of the policy.

3. Certificates of Insurance/Notices. Licensee shall provide a Certificate or Certificates of Insurance, in a form satisfactory to the Commission, as a condition of the License.

Unless otherwise agreed, insurance policies shall be written so as to include a provision that the policy will not be canceled, materially changed, or not renewed without at least 30 days' prior written notice to the Commission.

Certificates of Insurance shall:

- a. be in the form approved by the Commission;
- b. disclose any deductible, self-insured retention, aggregate limit or any exclusion to the policy that materially changes the coverage required as a condition of the License;
- c. be signed by an authorized representative of the insurance carrier or producer; and
- d. contain the following language in the Description of Operations / Locations / Vehicles section of the Certificate or on a submitted endorsement: Additional insured protection afforded to the Commission and to New York State on a primary and non-contributory basis. A waiver of subrogation is granted in favor of the additional insureds.

4. Primary Coverage. All insurance policies, including umbrella liability and excess liability policies, shall provide that the required coverage shall apply on a primary and not on an excess or contributing basis as to any other insurance that may be available to the Commission or New York State for any claim arising as a result of Licensee's activities. Any other insurance maintained by the Commission shall be excess of and shall not contribute with Licensee's insurance regardless of the "other insurance" clause contained in the Commission's own policy of insurance.

5. Breach for Lack of Proof of Coverage. The failure to comply with the insurance qualifications and requirements at any time during the term of the License shall be considered a breach of the conditions of the License and shall allow the Commission to avail itself of all remedies available at law or in equity.

6. Notice of Cancellation or Non-Renewal. Policies shall be written so as to include the requirements for notice of cancellation or non-renewal in accordance with the New York State Insurance Law. Within five business days of receipt of any notice of cancellation or non-renewal of insurance, Licensee shall provide the Commission with a copy of any such notice received from an insurer together with proof of replacement coverage that complies with the insurance requirements of this Exhibit 26B.

7. Policy Renewal/Expiration. Upon policy renewal/expiration, evidence of renewal or replacement of coverage that complies with the insurance requirements set forth herein shall be delivered to the Commission. If, at any time during the term of the License, the coverage provisions and limits of the policies required herein do not meet the provisions and limits set forth in this Exhibit 26B, or proof

Lottery Courier Service License Application

thereof is not provided to the Commission, Licensee shall cease immediately activities that otherwise would be permitted pursuant to the License. Licensee shall not resume activities permitted pursuant to the License until authorized to do so by the Commission.

8. Deadlines for Providing Insurance Documents after Renewal or Upon Request. As set forth herein, certain insurance documents must be provided to the Commission contact identified after renewal or upon request. This requirement means that Licensee shall provide the applicable insurance document to the Commission as soon as possible but in no event later than the following time periods:

- for certificates of insurance: 5 business days from request or renewal, whichever is later;
- for information on self-insurance or self-retention programs: 15 calendar days from request or renewal, whichever is later;
- for other requested documentation evidencing coverage: 15 calendar days from request or renewal, whichever is later;
- for additional insured and waiver of subrogation endorsements: 30 calendar days from request or renewal, whichever is later; and
- for notice of cancellation or non-renewal and proof of replacement coverage that complies with the requirements of this section: 5 business days from request or renewal, whichever is later.

Notwithstanding the foregoing, if Licensee shall have promptly requested the insurance documents from its broker or insurer and shall have thereafter diligently taken all steps necessary to obtain such documents from its insurer and submit them to the Commission, the Commission shall extend the time period for a reasonable period under the circumstances, but in no event shall the extension exceed 30 calendar days.

9. Self-Insured Retention/Deductibles. Additional surety/security may be required in certain circumstances. Licensee solely shall be responsible for all claim expenses and loss payments within any self-insured retention or deductible. Deductibles or self-insured retentions above \$100,000 are subject to approval from the Commission. Licensee solely shall be responsible for all claim expenses and loss payments within the deductibles or self-insured retentions. If Licensee is providing the required insurance through self-insurance, evidence of the financial capacity to support the self-insurance program along with a description of that program, including, without limitation, information regarding the use of a third-party administrator shall be provided upon request.

10. Subcontractors. Should Licensee engage a subcontractor, the Licensee shall endeavor to impose the insurance requirements of this document on the subcontractor, as applicable. Required insurance limits should be determined commensurate with the work of the subcontractor. An Additional Insured Endorsement (CG 20 38 04 13 (or the equivalent)) evidencing such coverage shall be provided to Licensee prior to the commencement of any work by a subcontractor and shall be provided to the Commission upon request. For subcontractors that are self-insured, the subcontractor shall be obligated to defend and indemnify the below-named additional insureds with respect to Commercial General Liability and Business Automobile Liability, in the same manner that the subcontractor would have been required to pursuant to this section had the subcontractor obtained such insurance policies. Proof thereof shall be supplied to the Commission.

Lottery Courier Service License Application

11. Additional Insured. Licensee shall cause to be included in each of the liability policies required below coverage for ongoing and completed operations naming as additional insureds (via ISO coverage forms CG 20 10 04 13 or CG 20 38 04 13 and CG 20 37 04 13 and form CA 20 48 10 13, or a form or forms that provide equivalent coverage): the Commission, New York State and their officers, agents, and employees. An Additional Insured Endorsement evidencing such coverage shall be provided to the Commission within 30 days of renewal or upon request, whichever is longer. A blanket Additional Insured Endorsement evidencing such coverage is also acceptable. If Licensee is self-insured, Licensee shall be obligated to defend and indemnify the above-named additional insureds with respect to Commercial General Liability and Business Automobile Liability, in the same manner that the Licensee would have been required to pursuant to this Attachment had the Licensee obtained such insurance policies.

12. Waiver of Subrogation. For all liability policies and the workers' compensation insurance required below, Licensee shall cause to be included in its policies insuring against loss, damage or destruction by fire or other insured casualty a waiver of the insurer's right of subrogation against the Commission, New York State and their officers, agents, and employees, or, if such waiver is unobtainable (i) an express agreement that such policy shall not be invalidated if Licensee waives or has waived before the casualty, the right of recovery against the Commission, New York State and their officers, agents, and employees or (ii) any other form of permission for the release of the Commission, New York State and their officers, agents, and employees. A Waiver of Subrogation Endorsement specifying the waiver of subrogation against the Commission and New York State shall be provided upon request. A blanket Waiver of Subrogation Endorsement evidencing such coverage is also acceptable.

13. Excess/Umbrella Liability Policies. Required insurance coverage limits may be provided through a combination of primary and excess/umbrella liability policies. If coverage limits are provided through excess/umbrella liability policies, then a schedule of underlying insurance listing policy information for all underlying insurance policies (insurer, policy number, policy term, coverage and limits of insurance), including proof that the excess/umbrella insurance follows form, must be provided upon request

B. Specific Coverages and Limits. The types of insurance and minimum policy limits shall be as provided below.

1. Commercial General Liability. Such liability shall be written on the current edition of ISO occurrence form CG 00 01, or a substitute form providing equivalent coverage covering the liability of Licensee for bodily injury, property damage, and personal/advertising injury arising from all work and operations pursuant to the License. The limits under such policy shall not be less than the following:

- Each Occurrence limit: \$1,000,000
- General Aggregate: \$2,000,000
- Products/Completed Operations \$2,000,000

Lottery Courier Service License Application

- Personal Advertising Injury \$1,000,000
- Property Damage \$1,000,000

Coverage shall include, without limitation, the following: premises liability; independent contractors; blanket contractual liability, including tort liability of another assumed in a contract; defense and/or indemnification obligations, including obligations assumed under the License; cross-liability for additional insureds; products/completed operations for a term of no less than three years, commencing upon performance of Licensee's and any subcontractor's work pursuant to the License; and liability resulting from Section 240 or Section 241 of the New York State Labor Law.

2. Automobile Liability. Such insurance shall have a limit not less than \$2,000,000 and shall cover liability arising out of any automobile used in connection with performance under the License, including owned, leased, hired and non-owned automobiles bearing or, under the circumstance under which they are being used, required by the Motor Vehicles Laws of the State of New York to bear, license plates.

3. Technology/Professional Errors and Omissions. Licensee shall procure and maintain during, and for a period of one year after the License is no longer in effect, Technology/Professional Errors and Omissions Insurance in the amount of \$10,000,000 issued to and covering damage for liability imposed on Licensee by the License or law arising out of any negligent act, error, or omission in the rendering of or failure to render services pursuant to the License.

Said insurance shall provide coverage for damages arising from computer related services including, without limitation, the following:

- consulting;
- data processing;
- programming;
- system integration;
- hardware or software development;
- installation;
- distribution or maintenance;
- systems analysis or design;
- training, staffing or other support services;
- manufactured, distributed, licensed, marketed or sold cloud computing services; and
- any electronic equipment, computer software developed, manufactured, distributed, licensed, marketed or sold.

Such insurance shall apply to professional errors, acts, or omissions arising out of activities performed pursuant to the License. The policy shall cover professional misconduct or lack of ordinary skill.

The policy shall include coverage for third-party fidelity including cyber theft if coverage is not met in a Data Breach and Privacy/Cyber Liability policy.

Lottery Courier Service License Application

The Professional Errors and Omissions insurance may be issued on a claims-made policy form, in which case Licensee shall purchase at its sole expense extended Discovery Clause coverage of up to one year after work is completed, if coverage is cancelled or not renewed.

Licensee Error Liability

In addition to liabilities stated above, Professional Errors and Omissions insurance shall cover Licensee's liability for any specific and definite financial obligations arising as a result of errors and faults by Licensee's staff, subcontractors and Licensee's interactive systems, equipment and/or related components ("System"). These cases include, without limitation:

- errors in entry or posting of winning numbers by System operators;
- errors created by System operator entry, software or hardware that create incorrect payout liabilities; and
- apparent winning tickets issued by the Licensee's System and presented for redemption that are not identified as valid, winning tickets in the transactions supplied by Licensee to the Commission.

4. Data Breach and Privacy/Cyber Liability. Insurance covering failure to protect confidential information and failure of the security of Licensee's computer systems due to the actions of Licensee that result in unauthorized access to confidential data. Said insurance shall be maintained with a limit not less than \$10,000,000.

Said insurance shall provide coverage for damages arising from, without limitation, the following:

- breach of duty to protect the security and confidentiality of nonpublic proprietary corporate information;
- personally identifiable nonpublic information (e.g., medical, financial, or personal in nature in electronic or non-electronic form);
- privacy notification costs;
- regulatory defense and penalties;
- computer network systems attacks;
- introduction, implementation or spread of malicious software code;
- unauthorized access and use of computer systems;
- website media liability;
- cyber theft of Licensee's customer's property, including, without limitation, money and securities;
- crime insurance protecting New York State, the Commission, Licensee's customers, and their officers, agents and employees against losses resulting from fraudulent or dishonest acts by Licensee, any subcontractor, or any officer, employee or agency of Licensee or any subcontractors. If the Cyber Liability insurance coverage does not cover this type of crime a separate Crime policy in the amount no less than \$10,000,000 on a "loss sustained form" or "loss discovered form":
 - the policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - the policy must include an extended reporting period of no less than one year with respect to events that occurred but were not reported during the term of the policy.

Lottery Courier Service License Application

- any warranties required by Licensee’s insurer as a result of any activity pursuant to the License must be disclosed and complied with. Said insurance shall extend coverage to include the principals (all directors, officers, agents and employees) of Licensee as a result of any activity pursuant to the License.
- the policy shall include coverage for third-party fidelity and name “New York State, the Commission, the courier customers and their officers, agents, and employees” as “Loss Payees” for all third-party coverage secured. This requirement applies to both primary and excess liability policies, as applicable.
- the policy shall not contain a condition requiring an arrest and conviction.

All forms must name THE NEW YORK STATE GAMING COMMISSION as the Entity Requesting Proof of Coverage (*i.e.*, the entity being listed as the Certificate Holder).

All forms are valid for one year from the date the form is signed/ stamped, or until policy expiration, whichever is earlier.