

# LOTTERY TICKET CENTRE POLICY HANDBOOK

# LOTTERY TICKET CENTRE POLICY HANDBOOK

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**SECTION: 1. GENERAL INFORMATION****1.1 INTRODUCTION**

1.1.1 The purpose of this handbook is to assist retailers:

- a) be aware of terms and conditions that apply to any retailer holding a Retailer Agreement;
- b) understand the ongoing responsibilities they have as a retailer.

1.1.2 The handbook is organized into sections to make it easy to update from time to time. The retailer is responsible to keep this handbook updated when new pages are received.

1.1.3 One copy of the Lottery Ticket Centre Policy Handbook is provided at no cost to each lottery ticket centre retail location upon installation of the lottery ticket terminal and is to remain at the location even when there is a change of ownership.

1.1.4 Additional or replacement copies of the handbook may be purchased from AGLC for a fee of \$25 per copy or may be accessed at no charge on AGLC website at [www.aglc.ca](http://www.aglc.ca).

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**SECTION: 1. GENERAL INFORMATION**

**1.2 LEGISLATION**

1.2.1 The *Gaming, Liquor and Cannabis Act* gives AGLC the authority to conduct and manage provincial lotteries on behalf of the Government of Alberta either alone or in conjunction with the government of another province or territory.

1.2.2 The Alberta Government is a shareholder in the Interprovincial Lottery Corporation (ILC), a corporation incorporated to conduct lotteries on behalf of Her Majesty the Queen in the right of all provinces for which the Western Canada Lottery Corporation (WCLC) is the regional marketing organization.

1.2.3 AGLC markets lottery schemes jointly with the WCLC in Alberta; processing applications for gaming agreements; and entering into agreements to sell, advertise or distribute gaming products through a province wide network of retailer locations.

AGLC shall:

- a) develop programs and procedures for the ongoing guidance of all employees, retailers, and external agencies;
- b) develop training aids for the instruction of division staff and retailers;
- c) train employees and retailers as required to ensure compliance with legislation, agreements, and policy;
- d) maintain relations with other provincial gaming organizations and agencies;
- e) maintain files and agreements on gaming retailers; and
- f) provide gaming products and services.

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**SECTION: 1. GENERAL INFORMATION****1.3 DEFINITIONS**

- 1.3.1 "AGLC" means Alberta Gaming, Liquor & Cannabis.
- 1.3.2 "Authorized signatory" means a person authorized to sign legal documentation on behalf of the retailer.
- 1.3.3 "Community" refers to:
- a) a municipality as defined under the *Municipal Government Act* meaning:
    - i) a city, town, village, hamlet, summer village, municipal district or specialized municipality; *(Amended Aug 2019)*
    - ii) a town under the *Parks Towns Act* ; or
    - iii) a municipality formed by special Act; or
  - b) a Métis Settlement established under the *Métis Settlement Act* (Alberta); or
  - c) an Indian reserve as determined by the Government of Canada located within the Province of Alberta. *(Amended Aug 2019)*
- 1.3.4 "Corporate retailer" refers to a retailer operating multiple locations under a single legal entity and generating annual sales of \$1 million or more.
- 1.3.5 "Game break" refers to the time period between online lottery ticket games that sales for the game are disabled. This is usually a five minute period after the closing of the present game (i.e. Lotto 6/49, Super 7, Extra, etc.).
- 1.3.6 "Keno" refers to a provincial lottery ticket gaming product where WCLC draws are held every five minutes. Players pick from one to ten numbers from a field of one to 80.
- 1.3.7 "Legal entity" refers to a corporation, partnership or sole proprietorship whose existence is recognized by the law and registered in the province of Alberta.
- 1.3.8 "Lottery ticket terminal" means any mechanical, electrical or other device, contrivance or machine used by the WCLC and AGLC to manage, conduct and operate a lottery.

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**SECTION: 1. GENERAL INFORMATION**

- 1.3.9 "Market zone" means the territory served by a retailer as determined by AGLC.
- 1.3.10 "Minor" means a person under the age of 18 years.
- 1.3.11 "Offline lottery tickets" means all lottery tickets not generated by the lottery ticket terminal and that are approved by the WCLC (example: Scratch 'N' Win tickets).
- 1.3.12 "Online lottery tickets" means tickets approved by the WCLC and AGLC and issued by a lottery ticket terminal, the selection of which is recorded on the WCLC central computer or computers operated by the WCLC for such purpose.
- 1.3.13 "Retailer" means any individual person, corporation or partnership authorized by AGLC and the WCLC to sell online and offline lottery tickets to the public or, is authorized by the WCLC to assist in the operation of a lottery pursuant to a Retailer Agreement.
- 1.3.14 "Retailer Agreement" means Lottery Ticket Centre Retailer Agreement between the retailer, AGLC and the WCLC.
- 1.3.15 "Waitlist" refers to a list of eligible applicants who have completed a Lottery Ticket Retailer Application and are waiting for the availability of a ticket terminal to be installed in their business.
- 1.3.16 "WCLC" means the Western Canada Lottery Corporation.

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**SECTION: 1. GENERAL INFORMATION**

**1.4 CONTACTS**

1.4.1 Written communication may be addressed to AGLC at :

Alberta Gaming, Liquor & Cannabis  
Gaming & Cannabis Division  
50 Corriveau Avenue  
St. Albert, Alberta  
T8N 3T5  
Fax: (780) 447-8910  
www.aglc.ca

1.4.2 Retailers needing assistance with technical issues related to the lottery ticket terminal should call the WCLC Hotline:

WCLC HOTLINE  
1-800-665-0133 (toll free)

For all other services, call AGLC Hotline at:

AGLC HOTLINE  
1-800-561-4415 (toll free)

1.4.3 Customers may redeem winning tickets for prizes greater than \$100 in person at, or by mailing the ticket and claim form to: *(Amended July 2018)*

Prize Payout Office  
Alberta Gaming, Liquor & Cannabis  
Main Floor, 50 Corriveau Avenue  
St. Albert, Alberta, T8N 3T5  
1-800-272-8876 Ext. 8616

1.4.4 Customers may redeem winning tickets for prizes of \$100.01 to \$9,999.99, in person at: *(Amended July 2018)*

Prize Payout Office  
Alberta Gaming, Liquor & Cannabis  
110-6715 8 St NE

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Calgary, Alberta, T2E 7H7

1-800-372-9518 Ext. 8301

1.4.5 Customers disputing prizes or requiring a decision on a lost, stolen or destroyed ticket should mail their request to:

Western Canada Lottery Corporation

Prize Payout

10th Floor, 125 Garry Street

Winnipeg, MB R3C 4J1

1.4.6 To report gaming irregularities call: 1-800-742-7818

1.4.7 WCLC corporate communications: 1-800-665-3313

1.4.8 For assistance or information on problem gambling, call Alberta Health Services: 1-866-332-2322 *(Amended Aug 2019)*

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**SECTION: 1. GENERAL INFORMATION**

**1.5 ELIGIBILITY GUIDELINES**

- 1.5.1 Applicants must meet all retailer application requirements to qualify for a Retailer Agreement (See 3.1).
- 1.5.2 Retailers must operate within the terms and conditions outlined in the Retailer Agreement and this handbook.
- 1.5.3 Where there is a conflict in the terms and conditions between the Retailer Agreement and this handbook, the Retailer Agreement takes precedence.
- 1.5.4 Each lottery ticket centre retail location is evaluated by AGLC on a continual basis to determine its potential to fulfill the goals and objectives of AGLC.

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**SECTION: 2. RETAIL NETWORKS**

**2.1 RETAIL NETWORKS**

2.1.1 AGLC's network of retailers is divided into three categories:

- a) profitability network;
- b) trial network; and
- c) single community location network.

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**SECTION: 2. RETAIL NETWORKS**

**2.2 LOTTERY TICKET AND EQUIPMENT ALLOCATION**

- 2.2.1 Revenue from the lottery ticket centre retail networks is maximized by allocating lottery ticket terminals to qualified retail locations and by reallocating lottery ticket terminals from retail locations that fail to meet established performance standards.
- 2.2.2 When the demand for lottery ticket terminals in any network exceeds the supply of lottery ticket terminals, applicants will be placed on a waitlist (see 2.9).

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**SECTION: 2. RETAIL NETWORKS**

**2.3 PROFITABILITY NETWORK**

- 2.3.1 The profitability network is for retailers whose locations have, or are predicted to have, annual lottery ticket sales that contribute to the profit targets of AGLC.
- 2.3.2 AGLC will evaluate each location to determine sales potential.
- 2.3.3 In addition to meeting the sales requirement for the profitability network, applicants must also:
- a) meet all application requirements (see 3.1); and
  - b) meet performance standards for the profitability network once they are authorized to operate as a retailer.
- 2.3.4 Retailers failing to meet performance standards for the profitability network may have their Retailer Agreement terminated by AGLC (see 2.6).
- 2.3.5 Applicants not having the sales potential required to operate in the profitability network are offered the opportunity to apply for placement in the trial network (see 2.4).

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**SECTION: 2. RETAIL NETWORKS****2.4 TRIAL NETWORK**

- 2.4.1 The trial network is for applicants not eligible for the profitability network. It provides applicants the opportunity to prove sales potential through a 13 - week trial period as a retailer.
- 2.4.2 Trial applicants agree to meet the required sales target and/or reimburse AGLC for any unrecovered costs incurred during the 13 - week trial period.
- 2.4.3 Trial applicants must meet all of the same application requirements (see Section 3.1) as applicants for the profitability network except no credit evaluation will be completed. The retailer must provide a cash deposit or irrevocable letter of credit as outlined in Subsection 3.3.25. *(Amended Jun 2019)*
- 2.4.4 A maximum of 15 retailers will be permitted to be active in the trial network at any one time.
- 2.4.5 Only one trial network retailer may be active in each market zone at any given time.
- 2.4.6 Trial network retailers must achieve annualized sales that exceed sales achieved by retailers in the bottom one per cent of the profitability network to successfully complete the 13 - week trial period.
- 2.4.7 Trial network retailers successful in completing the 13 - week trial period are transferred to the profitability network and must meet the performance standards of that network (see Section 4.2).
- 2.4.8 Trial network retailers not meeting the sales target at the end of the 13 - week trial period will have their retailer agreement terminated and be liable for any difference between the installation/fixed costs and the recovered net revenue during the trial period:
- a) installation costs are variable and include:
    - i) ticket terminal, printer, CDU, ticket checker, and installation costs;
    - ii) signs and fixture installation costs; and
    - iii) telecommunications costs.

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**SECTION: 2. RETAIL NETWORKS**

- b) fixed costs include:
  - i) ticket terminal, printer, CDU, ticket checker, signs, and fixture depreciation; and
  - ii) administration and maintenance costs.

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**SECTION: 2. RETAIL NETWORKS**

**2.5 SINGLE LOCATION COMMUNITY NETWORK**

2.5.1 The Single Location Community (SLC) network is for retailers who do not meet the performance standards of the profitability network (see Subsection 2.6), but whose retail location is more than 25 kilometres away from the closest retailer. The 25 km distance is measured as the radius from retail location to retail location.

2.5.2 SLC network retailers must meet all regular application requirements (see 3.1).

2.5.3 SLC network retailers transferred to the profitability network must meet the performance standards of that network (see 2.6)

2.5.4 A SLC network retailer is transferred to the profitability network in the event of the following:

- a) a profitability network retailer is installed within 25 km of the SLC network retail location; or
- b) a trial network retailer installed within 25 km of the SLC network retail location successfully completes the 13 - week trial period and is transferred to the profitability network.

2.5.5 AGLC will notify SLC network retailers when a profitability network retailer or trial network retailer is installed within 25 km of their retail location.

2.5.6 SLC network retailers transferred to the profitability network are subject to the standards and procedures of the profitability network.



**SECTION: 2. RETAIL NETWORKS**

**2.6 PERFORMANCE STANDARDS**

- 2.6.1 Non-performance is defined as a retailer who is generating annualized sales that fall in the bottom one per cent of retailers in the profitability network.
- 2.6.2 Retailers in the profitability network are subject to monthly performance assessment. Non-performance may result in removal of the lottery ticket terminal and termination of the Retailer Agreement.
- 2.6.3 Retailers must operate in the profitability network for a minimum of six full calendar months before their Retailer Agreement can be terminated due to non-performance.
- 2.6.4 AGLC will terminate the Retailer Agreement and remove the lottery ticket terminal and related equipment due to non-performance only when there is a more profitable location available for the lottery ticket terminal to be installed.
- 2.6.5 In order for the retailer to establish a viable sales base, sales generated in the month of the lottery ticket terminal installation or change of operator/agent and the subsequent three full calendar months of sales activity are excluded from the performance assessment for retailers in the profitability network.
- 2.6.6 If a retailer generates annualized sales that fall in the bottom one per cent of all retailers in the profitability network for two full calendar months in any consecutive three full calendar month period, AGLC may terminate the Retailer Agreement and remove the lottery ticket terminal.
- 2.6.7 Annualized sales for retailers are calculated in the following manner:
- a) if there are less than 12 full calendar months of sales subjected to monthly performance assessment, the annualized sales is calculated by averaging the monthly sales, and multiplying this average by 12 months; or
  - b) if there are more than 12 full calendar months of sales subjected to monthly performance assessment, the annualized sales is the sum of sales for the most recent 12 month period.

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**SECTION: 2. RETAIL NETWORKS**

2.6.8 Retailers will receive a minimum of seven days written notice before a lottery ticket terminal is removed or the Retailer Agreement terminated due to non-performance.

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**SECTION: 2. RETAIL NETWORKS**

**2.7 COMPENSATION**

**2.7.1 BASE COMPENSATION**

AGLC shall pay to the retailer by discount, commission or bonus such amounts as may be established from time to time for the sale of gaming products (see Schedule 1):

- a) no other remuneration will be paid to retailers with respect to services supplied except such amounts earned by way of commission paid on redemptions (that is prize money paid out by the retailer);
- b) the CEO will determine the commission and redemption percentage paid to retailers; and
- c) retailers who have their Retailer Agreement terminated must collect compensation amounts due to them within one year from when the compensation is issued or this compensation is forfeited.

**2.7.2 ADDITIONAL COMPENSATION**

- a) Lottery ticket centres must achieve minimum annual sales of \$54,000 to qualify for the Additional Compensation Program (see Schedule 1).
- b) Additional compensation is calculated quarterly and paid twice a year, in October and April. Sales are assessed in July for quarter one, October for quarter two, January for quarter three, and April for quarter four.
- c) Second and fourth quarter payments are paid as an invoice credit to active retailers.
- d) Terminated retailers are paid by cheque. Cheques for less than \$10 will not be processed.

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**SECTION: 2. RETAIL NETWORKS**
**SCHEDULE 1: COMPENSATION**

Base Compensation	
Sales Commissions	5% of net sales*
Redemptions	2% of encashment
Additional Compensation	
Additional Compensation – Level 1 Sales between \$54,000-\$99,999	Additional 0.5%
Additional Compensation – Level 2 Sales between \$100,000-\$249,999	Additional 1.5%
Additional Compensation – Level 3 Sales between \$250,000-\$499,999	Additional 2.5%
Additional Compensation – Level 4 Sales between \$500,000-Up	Additional 3.0%

Note: Net Sales is gross sales less buybacks and cancellations.

e) Additional compensation is based on a tiered schedule that provides additional compensation upon achieving specific sales levels. The additional compensation applies to all sales within the specific tier. Examples of compensation payments are as follows:

i) \$75,000 Total Sales:	
5.0% base compensation -	\$ 3,750
0.5% additional compensation -	<u>\$ 105</u>
Total Compensation -	\$ 3,855

**SECTION: 2. RETAIL NETWORKS**

ii)	\$250,000 Total Sales:	
	5.0% base compensation -	\$ 12,500
	0.5% additional compensation -	\$ 230
	1.5% additional compensation -	<u>\$ 2,250</u>
	Total Compensation -	\$ 14,980
iii)	\$600,000 Total Sales:	
	5.0% base compensation -	\$ 30,000
	0.5% additional compensation -	\$ 230
	1.5% additional compensation -	\$ 2,250
	2.5% additional compensation -	\$ 6,250
	3.0% additional compensation -	<u>\$ 3,000</u>
	Total Compensation -	\$ 41,730

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**SECTION: 2. RETAIL NETWORKS**

**2.8 TRAINING**

2.8.1 Prior to activation of the lottery ticket terminal a minimum of one staff member involved in handling lottery products at each retail site must: *(Amended Nov 2017)*

- a) complete AGLC's online LottoLearn Advanced Ticket Terminal Training Course and Certification for the operation of the lottery ticket terminal; or
- b) provide information regarding previous in-person lottery ticket training certification (taken within five years prior to the date of activation) to AGLC.

2.8.2 Retailers must have trained staff available when the retail location is open for business. *(Amended Nov 2017)*

2.8.3 Retailers must ensure employees responsible for operating the lottery ticket terminal are trained. Training must include operation of the terminal, selling, cancelling tickets, validation of tickets, accounting/reconciliation, and weekly settlement. *(Amended Nov 2017)*

2.8.4 Retailers and their staff are required to complete any additional product or terminal training required by AGLC. *(Amended Nov 2017)*

2.8.5 Requests for training should be made by contacting AGLC Hotline (see 1.4.2). *(Amended Nov 2017)*

2.8.6 Retailers must ensure that an up-to-date Lottery Ticket Centre Policy Handbook is kept and updated as required in the premises and that all staff understand their responsibilities.

2.8.7 Retailers must ensure that a copy of the Retailer Code of Conduct is available and that it is reviewed with any new employee that deals with lottery products and customers.

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**SECTION: 2. RETAIL NETWORKS**

**2.9 WAITLIST MANAGEMENT**

**2.9.1 PROFITABILITY NETWORK**

- a) In the event that the monitoring of the retailer network and enforcement of the non-performance standards (see 2.6) does not allow sufficient lottery ticket terminals to meet the demand for new profitability network retailers, a waitlist will be created.
- b) Lottery ticket terminals will be assigned to applicants on the waitlist on a “best first” basis (applicants with the highest potential sales volume will be given preference).

**2.9.2 TRIAL NETWORK**

- a) The waitlist for the trial network will list applicants in the order that their completed application forms are received.
- b) Lottery ticket terminals will be assigned to applicants in the order they appear on the waitlist.

**SECTION: 2. RETAIL NETWORKS**

**2.10 SITE REQUIREMENTS**

2.10.1 The retailer is required to confirm with AGLC the retail site has the following:

- a) suitable location and sufficient counter space for the ticket terminal, printer, and LED display sign (normally beside cash register);
- b) suitable location and sufficient floor space for a standard lottery selection table (Height: 42  $\frac{3}{4}$ " , Width 36  $\frac{1}{2}$ " , and Length 27  $\frac{1}{2}$ " ) or of any other dimensions determined by AGLC;
- c) shelving displays or merchandisers;
- d) suitable interior window location to accommodate the following signage as determined and allocated by AGLC:
  - i) an interior 18" or 25" LTC fascia sign; or
  - ii) an interior 26" LTC electronic jackpot sign.

Note: At its discretion AGLC will transition current 25" exterior LTC fascia signs to align with this section. *(Added, Oct., 2014)*

- e) in locations where KENO is available, suitable location, and floor space for the installation of equipment as required by AGLC.

2.10.2 The retailer is required to confirm with AGLC the retail site has the following electrical requirements:

- a) a separate circuit from the fuse box that is within 1.5m of the lottery ticket terminal location;
- b) a 110 volt Double Duplex "U" isolated ground outlet at the demarcation point of the network interface device (where the telecommunications cable enters the building) for power to the communications facility; and
- c) the retailer is required to have a telephone on site that is in close proximity to the lottery ticket terminal to allow a person to simultaneously receive technical support and tend to the lottery ticket terminal.

2.10.3 An AGLC technician will inspect the site to confirm power and wiring requirements are met.

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**SECTION: 2. RETAIL NETWORKS**

2.10.4 Retailers must contact AGLC if they wish to relocate the lottery ticket terminal after the initial installation (see 5.12 and 5.13).

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**SECTION: 3. APPLICATIONS**

**3.1 APPLICATION REQUIREMENTS**

3.1.1 The application and site requirements for all retailers are the same; however the application process for each differs. All applicants must complete and submit the following application requirements:

- a) Lottery Ticket Centre Retailer Application;
- b) Certificate of Insurance;
- c) financial security – in the form of a successful credit evaluation by AGLC, cash deposit or irrevocable letter of credit in an amount determined by AGLC; *(Amended Jun 2019)*
- d) Pre-Authorized Debit (PAD) Agreement for Business; *(Amended Aug 2019)*
- e) Bank Account Verification; *(Amended Aug 2019)*
- f) Landlord Authorization;
- g) Lottery Ticket Center Retailer Agreement; *(Amended Aug 2019)*
- h) Criminal Record Check (CRC) – a CRC must be submitted by an authorized signatory who signs the Lottery Ticket Centre Retailer Agreement. If the applicant is a:
  - i) sole proprietor – the sole proprietor must submit the CRC.
  - ii) partnership – the partner who will sign the Agreement must submit the CRC.
  - iii) corporation (legal entity) – the Director who will sign the Agreement must submit the CRC; and
- i) Ticket Terminal Training Certification.

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**SECTION: 3. APPLICATIONS**

**3.2 APPLICATION CATEGORIES**

3.2.1 There are three categories of applications:

- a) new installation – when an applicant is applying for a Retailer Agreement at a location where there is not an existing lottery ticket terminal;
- b) trial network installation – when an applicant is applying for a Retailer Agreement after being rejected for entry into the profitability network; and
- c) new operator of an existing location – when an applicant is applying for a Retailer Agreement due to the sale of, or change to, the legal entity operating a retail location, and there is an existing lottery ticket terminal.

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**SECTION: 3. APPLICATIONS**

**3.3 NEW INSTALLATION APPLICATION**

- 3.3.1 Applicants interested in applying for a lottery ticket terminal at a location where there is not an existing lottery ticket terminal are to contact AGLC's Hotline (see Subsection 1.4.2) or go to [aglc.ca](http://aglc.ca). *(Amended Aug 2019)*
- 3.3.2 AGLC will evaluate the applicant's proposed site and notify the applicant as to whether they qualify for the profitability network.
- 3.3.3 If the applicant qualifies for the profitability network and a lottery ticket terminal is not available for installation at that time, the applicant will receive a terminal as soon as one becomes available. Lottery ticket terminals will be distributed to qualifying profitability network retailers on a "best first" basis.
- 3.3.4 An application form must be completed and signed by an authorized signatory of the applicant.
- 3.3.5 Applicant corporations and partnerships must be legal entities registered to operate in the province of Alberta.
- 3.3.6 The person or persons forming a sole proprietorship or partnership must be Canadian citizen(s) or be authorized to work in Canada in order to be party to the Retailer Agreement.
- 3.3.7 For corporate retailers, the initial application is kept in the corporate retailer's master file and is referenced for all future applications.
- 3.3.8 Retailers are required to maintain adequate insurance as outlined in the Retailer Agreement; and proof of insurance must be provided in the form of an AGLC Certificate of Insurance completed by the retailer's insurance company or broker.
- 3.3.9 The legal entity must be the "name insured" on the insurance policy.
- 3.3.10 The Alberta Gaming, Liquor and Cannabis Commission must be named as loss payable on the insurance policy. *(Amended Aug 2019)*
- 3.3.11 Property insurance is required for all lottery ticket terminals, signs and fixtures provided by AGLC; coverage shall be on an all risk/broad form and replacement cost basis. The declared value of the lottery ticket terminal and related equipment is \$10,000. *(Amended Aug 2019)*
- 3.3.12 Comprehensive or commercial general liability insurance is recommended in an amount not less than \$2,000,000 inclusive per

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**SECTION: 3. APPLICATIONS**

- occurrence against bodily injury and property damage including loss of use thereof. Such insurance is recommended to include blanket contractual liability, personal injury, and employees as additional insured. *(Amended Aug 2019)*
- 3.3.13 Corporate retailers may provide insurance for franchisees that hold Retailer Agreements. A “blanket” Certificate of Insurance can also be used on the condition the legal entity of each franchisee is an additional insured on the corporate policy. A schedule of retail locations to which the policy coverage applies must also be provided and updated as requested by AGLC.
- 3.3.14 A “blanket” Certificate of Insurance will be kept in the retailer’s master file and referenced for all future applications.
- 3.3.15 The retailer must provide a cash deposit or irrevocable letter of credit to cover AGLC’s risk for monetary loss or have their legal entity undergo a credit evaluation to determine if the need for a cash deposit or irrevocable letter of credit may be waived. *(Amended Jun 2019)*
- 3.3.16 A retailer that is a sole proprietorship or partnership is not eligible for a credit evaluation except as outlined in Subsection 3.3.17. Retailers that are a sole proprietorship or partnership must provide a cash deposit or irrevocable letter of credit to meet the financial security requirement (see Subsection 3.3.25). *(Amended Jun 2019)*
- 3.3.17 A retailer that is a sole proprietorship or partnership that has operated for more than 24 months and that has established operations under a trade name, may be considered for a credit evaluation.
- 3.3.18 A retailer that is a registered corporation or registered partnership is eligible for a credit evaluation only if it has operated for more than 24 months.
- 3.3.19 Corporate retailers are eligible for a credit evaluation only if it has operated for more than 24 months.
- 3.3.20 The retailer must provide two current consecutive years of financial statements prepared by a third party (i.e., CPA, CA, CMA or CGA). *(Amended Aug 2019)*
- 3.3.21 Banking information must be provided on a Credit Evaluation Information form to be completed by an authorized signatory for the retailer and the appropriate financial institution(s).

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3.3.22 Credit evaluation results are maintained in the corporate retailer's master file and referenced for all future applications.

3.3.23 A retailer who fails the credit evaluation is required to provide financial security in the form of a cash deposit or irrevocable letter of credit. *(Amended Jun 2019)*

3.3.24 *(Deleted Jun 2019)*

3.3.25 The amount of the cash deposit or irrevocable letter of credit is based on the classification of the retail site (e.g., kiosk, convenience store, supermarket, etc.) or two weeks average sales for the retail location for a new operator of an existing location. *(Amended Jun 2019)*

The schedule for retail site classification is as follows:

**SCHEDULE 2: SECURITY REQUIREMENTS**

Code	Description	Require Security
01	Ticket Outlet	\$18,000
02	Newsstand, Smoke Shop, Confectionary	\$8,500
03	Drugstore	\$10,000
04	Convenience, Specialty Food Store	\$7,000
05	Supermarkets	\$14,000
06	Department Stores	\$10,000
07	Specialty Goods	\$7,000
08	Personal Services Retail	\$5,000
09	Restaurants	\$5,000
10	Just Gasoline Services	\$8,000
11	Recreation Outlets	\$5,000
13	Non-profit Organizations (Bingo)	\$4,000
16	Community Service	\$5,000
17	Gas/Convenience	\$7,000

3.3.26 If a retailer chooses to provide: *(Amended Jun 2019)*

a) a cash deposit, the following conditions apply:

i) retailers must complete and submit the Deposit Agreement form to AGLC;

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- ii) retailers must deposit the required amount with AGLC, payable to AGLC by certified cheque, money order, or any other means permitted by AGLC;
  - iii) if the retailer is a registered corporation or partnership, the cash deposit must be held for a minimum of one year, after which time the retailers may request a credit evaluation; and
  - iv) if the retailer is a person(s), the cash deposit must be held until the Retailer Agreement is terminated or as outlined in Subsection 3.3.17.
- b) an irrevocable letter of credit, the following conditions apply:
- i) the irrevocable letter of credit must identify:
    - the retailer's legal entity as the applicant or customer;
    - the Alberta Gaming, Liquor and Cannabis Commission as the beneficiary;
    - Canadian dollar amount of the letter;
    - an effective date, expiry date, and automatic extension clause;
    - that partial drawings are permitted;
    - that the irrevocable letter of credit covers the lottery terminal, if a referee is required;
    - complete mailing address of the financial institution; and
    - printed names, titles, and contact numbers of all signatories.
  - ii) the irrevocable letter of credit must stay in effect for a minimum of one year from the date of issue;
  - iii) retailers are responsible for all fees incurred by obtaining an irrevocable letter of credit;
  - iv) if the retailer is a registered corporation or partnership, the irrevocable letter of credit must stay in effect for a

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minimum of one year, after which time the retailer may request a credit evaluation; and

- v) if the retailer is a person(s), the irrevocable letter of credit must stay in effect until the Retailer Agreement is terminated or as outlined in Subsection 3.3.17.

3.3.27 As stated in the Retailer Agreement, retailers are required to deposit all monies received through the sale of lottery tickets, less winnings paid out, and commission, into a bank account.

3.3.28 Retailer accounts are invoiced each Wednesday (See Section 4.2).

3.3.29 An authorized signatory must complete and submit the Pre-Authorized Debit (PAD) Agreement for Business form and the Bank Account Verification form. *(Amended Aug 2019)*

3.3.30 If a single bank account is to be used for all corporate retailer locations, a “blanket” Pre-Authorized Debit (PAD) Agreement for Business form may be provided and be kept in the corporate retailer’s master file and referenced for future applications. *(Amended Aug 2019)*

3.3.31 Retailers wanting to change their bank account must contact AGLC (see Subsection 4.2.5) or access the forms and information at [aglc.ca](http://aglc.ca). *(Amended Aug 2019)*

3.3.32 Retailers are required to have the landlord of the retail site complete a Landlord Authorization form that gives AGLC authorization to install, maintain, and/or remove supplied equipment. *(Amended Aug 2019)*

3.3.33 A “blanket” landlord authorization form may be used if the corporate retailer is the landlord for all of its retail locations.

3.3.34 A “blanket” landlord authorization form is kept in the corporate retailer’s master file and referenced for all future applications.

3.3.35 *(Deleted Aug 2019)*

3.3.36 The Retailer Agreement is the legal document binding the retailer, AGLC, and the WCLC to the terms and conditions contained within it.

3.3.37 An authorized signatory is required to sign, date, and have witnessed a set of three Retailer Agreements and return the documents to AGLC.

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- 3.3.38 A criminal record check must be submitted by the applicant whom signs the Retailer Agreements (see Subsection 3.1.1 i) for details). For the purposes of a:
- a) new installation, applicants must submit the criminal record check prior to the installation of the lottery terminal.
  - b) change of operator, a location that already has a terminal, the applicant will have 30 days to submit the criminal record check. If the criminal record check is not received within the 30 day deadline the ticket terminal and all related equipment may be removed and the agreement terminated.
- 3.3.39 The retailer receives one copy of the Retailer Agreement after authorization by AGLC and the WCLC.
- 3.3.40 Retailer Agreements are issued for each retail location, unless the retailer already has an Agreement with AGLC under the same legal entity, in which case a revised Schedule A will be sent to the retailer's email address on file. *(Amended Aug 2019)*
- 3.3.41 *(Deleted Aug 2019)*
- 3.3.42 *(Deleted Aug 2019)*
- 3.3.43 *(Deleted Aug 2019)*
- 3.3.44 Applicants failing to meet the application requirements before AGLC's deadline may have their application terminated and are eligible to reapply in six months.

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**3.4 TRIAL NETWORK INSTALLATION APPLICATION**

3.4.1 *(Deleted Aug 2019)*

3.4.2 *(Deleted Aug 2019)*

3.4.3 The application requirements for a trial network installation are the same as for a new installation (see Section 3.3, New Installation Application); however, applicants are not eligible for a credit evaluation and therefore must provide a cash deposit or irrevocable letter of credit (see Subsection 3.3.26). *(Amended Jun 2019)*

3.4.4 Applicants meeting the application requirements are eligible to participate in a 13 - week trial period as a retailer.

3.4.5 If a lottery ticket terminal is not available at the time the applicant requests a trial network application package, the applicant is placed on a waitlist (see Section 2.9).

3.4.6 See Section 2.4 for detailed information on the trial network.

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**3.5 NEW OPERATOR OF AN EXISTING LOCATION APPLICATION**

*(Amended Aug 2019)*

- 3.5.1 The Retailer Agreement is not transferable and is terminated when an existing lottery ticket centre location is sold, leased, or assigned to the control of another person or legal entity.
- 3.5.2 In the case that a Retailer Agreement is terminated, a new application package must be submitted to AGLC. At its discretion, AGLC may offer the applicant a Retailer Agreement,
- a) if the applicant meets all application requirements outlined in Section 3.3; and
  - b) if the lottery ticket centre location meets the performance standards outlined in Section 2.6.
- 3.5.3 Retailers must notify AGLC of any change in the structure or control of the legal entity holding the Retailer Agreement.
- 3.5.4 For uninterrupted lottery ticket centre operations existing retailers must provide AGLC with 30 days written notice of any sale, lease expiry or business dissolution.
- 3.5.5 To avoid disruption of service, a change of operator of a lottery ticket centre location must occur on a Wednesday (invoice day).
- 3.5.6 Buyer/lessee(s) of an existing location must submit the same requirements as outlined in Section 3.3, New Installation Application, as well as the Buyer/Lessee Notification form. *(Amended Aug 2019; Amended Oct 2014)*
- 3.5.7 Seller/lessor(s) must complete and submit the Seller/Lessor Notification form to AGLC prior to the changeover date in order to give AGLC permission to disclose financial information to the buyer/lessee for the purpose of determining an appropriate financial security amount. *(Added Aug 2019)*
- 3.5.8 AGLC will assist the seller/lessor of an existing location and the buyer/lessee with completing a physical inventory of activated Scratch 'N Win tickets and reconciliation of online ticket sales to the effective date of termination (change of operator). The seller/lessor and buyer/lessee are responsible for financial transactions resulting in the buyer/lessee being credited for related sales and activations (less commission). *(Amended Aug 2019; Added Oct 2014)*

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- 3.5.9 All financial obligations the seller/lessor accrued prior to the effective date of termination shall continue to apply and be enforceable against the seller/lessor as per Schedule D8 of the Lottery Ticket Centre Retailer Agreement. *(Amended Aug 2019; Added Oct 2014)*
- 3.5.10 A buyer/lessee failing to comply with all the requirements of the Lottery Ticket Centre Retailer Application – Change of Operator package will have their application cancelled. *(Amended Aug 2019; Amended Oct 2014)*

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**3.6 AGENT CHANGES**

- 3.6.1 Corporate retail chains that contract agents to operate their retail sites must notify AGLC when the agent at a site changes. Five (5) business days notice is required to ensure no disruption of operation.
- 3.6.2 To avoid disruption of service, agent changes of a lottery ticket centre location must occur on a Wednesday (invoice day). *(Amended Aug 2019)*
- 3.6.3 Prior to activation of the lottery ticket terminal a minimum of onestaff member involved in handling lottery ticket products at each retail sitemust: *(Amended Nov 2017)*
- a) complete AGLC's online LottoLearn Advanced Ticket Terminal Training Course and Certification; or
  - b) provide information regarding previous in-person lottery training certification (taken within five years prior to the date of activation) to AGLC.
- 3.6.4 Requests for training should be made by contacting AGLC Hotline (see 1.4.2). *(Added Nov 2017)*
- 3.6.5 New agents must complete and submit the Pre-Authorized Debit (PAD) Agreement for Business form and Bank Account Verification form to AGLC. *(Amended Aug 2019)*
- 3.6.6 If the new agent names a corporation or partnership on the Pre-Authorized Debit (PAD) Agreement for Business form, they must be a director or shareholder of the company. *(Amended Aug 2019)*
- 3.6.7 AGLC will assist the existing agent and new agent with completing a physical inventory of activated Scratch 'N Win tickets and reconciliation of online sales to the effective date of agent change. The existing agent and new agent are responsible for financial transactions resulting in the new agent being credited for related sales and activations (less commission). *(Added, Oct., 2014)*
- 3.6.8 All financial obligations the existing agent accrued prior to the effective date of the agent change shall continue to apply and be enforceable against the existing agent as per Schedule D8 of the Lottery Ticket Centre Retailer Agreement. *(Added, Oct., 2014)*

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**SECTION: 4. ADMINISTRATION**

**4.1 RETAILER MASTER FILE INFORMATION**

4.1.1 To maintain the accuracy and integrity of AGLC's retailer master files, the retailer is required to contact AGLC Hotline (see Subsection 1.4.2) when there is any change to the following information:

- a) location name;
- b) company name;
- c) authorized signatory;
- d) management;
- e) controlling interest shareholder(s);
- f) phone and fax number; or
- g) hours of operation.

4.1.2 *(Deleted Aug 2019)*

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**SECTION: 4. ADMINISTRATION**

**4.2 FINANCIAL OBLIGATIONS**

- 4.2.1 Retailer accounts are invoiced on Wednesdays for the payment of online and offline (Scratch 'N Win) lottery tickets. *(Added Oct 2014)*
- 4.2.2 Retailers will be notified of the deposit amount for both online and offline (Scratch 'N Win) lottery tickets a minimum of 11 hours prior to the payment due deadline (Wednesday at 12:00 p.m.) by one of the following methods:
- a) electronically, through the lottery ticket terminal;
  - b) by fax transmission; or
  - c) by telephone. *(Added Oct 2014)*
- 4.2.3 To satisfy the invoicing/payment process retailers must deposit, in a designated bank account before 12:00 p.m. on Wednesdays, all monies received through the sale of:
- a) online lottery tickets, less winnings paid and commission; and
  - b) activated offline lottery tickets (Scratch 'N Win), less winnings paid and commission between 8 to 14 days from the date of activation (excluding the date of activation). For example, monies for Scratch 'N Win tickets activated on a Tuesday must be deposited within a maximum of 8 days, and monies for Scratch 'N Win tickets activated on a Wednesday must be deposited within a maximum of 14 days. *(Added Oct 2014)*
- 4.2.4 A fee of \$5.00 per week is charged to each retailer on their weekly invoice to cover administration costs.
- 4.2.5 Retailers must contact AGLC to change bank accounts.
- 4.2.6 An authorized signatory must complete a Pre-Authorized Debit (PAD) Agreement for Business form and Bank Account Verification form and submit it to AGLC. *(Amended Aug 2019)*
- 4.2.7 AGLC shall take immediate action to collect outstanding monies owed from retailers due to non-sufficient funds (NSF), up to and including termination of the retailer agreement, and the following will apply:

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- a) payment of the NSF must be received within 24 hours of notification in the manner designated by AGLC or the lottery ticket terminal will be disabled;
- b) a cash deposit or irrevocable letter of credit will be required immediately in an amount determined by AGLC (equivalent to two weeks average net invoice for the retail location or as per security requirements detailed in Schedule 2, Subsection 3.3.25 if the retail location is in the first year of operations). If the retailer chooses to use a cash deposit, it must be held by AGLC for a minimum of 24 months from the date of the NSF. If the retailer chooses to use an irrevocable letter of credit, it must stay in effect for a minimum of 24 months from the date of the NSF; *(Amended Jun 2019)*
- c) all NSF's are subject to a service charge determined by AGLC;
- d) retailers who fail to meet the deposit requirements in Subsection 4.2.2 may have their retailer agreement terminated resulting in the lottery ticket terminal and related equipment being removed; and
- e) retailers who experience no further payment problems after two (2) years from the date of their NSF may contact AGLC and request an evaluation of their credit to determine if the need for a cash deposit or an irrevocable letter of credit still exists. *(Amended Jun 2019)*

4.2.8 Retailers that provide a cash deposit or irrevocable letter of credit in the name of their registered corporation or partnership as part of the application process may request after one full year of operation: *(Amended Jun 2019)*

- a) a re-evaluation of their company, if it failed the initial credit evaluation; or
- b) an evaluation of their company, if financial statements were not available at the time the retailer submitted their application.

4.2.9 The retailer must provide two current consecutive years of financial statements prepared by a third party (i.e., CPA, CA, CMA or CGA) and banking information for the most recent 12 month period (see Credit Evaluation Information form). *(Amended Aug 2019)*

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- 4.2.10 When the retailer successfully completes the credit evaluation, AGLC will return the cash deposit to the retailer or will return the irrevocable letter of credit to the retailer's financial institution. *(Amended Jun 2019)*
- 4.2.11 AGLC will advise retailers that do not meet credit evaluation standards that the cash deposit must be held or the irrevocable letter of credit must stay in effect. *(Amended Jun 2019)*
- 4.2.12 If the cash deposit or the irrevocable letter of credit is in the retailer's personal name(s), credit evaluation is not an option except as outlined in Subsection 3.3.17. The cash deposit must be held or the irrevocable letter of credit stays in effect until the retailer agreement is terminated. *(Amended Jun 2019)*
- 4.2.13 The retailer is responsible for the cost of any required repairs to the lottery ticket terminal(s) and related equipment, signs and fixtures that are deemed a result of negligence by the retailer.
- 4.2.14 The retailer will be invoiced for any and all direct costs incurred by AGLC for repair and maintenance due to negligence by the retailer.
- 4.2.15 The retailer is responsible for the cost of any lottery ticket related equipment that is damaged, destroyed, stolen or lost.
- 4.2.16 The retailer is required to maintain insurance to cover the cost of the obligations stated in the Retailer Agreement.
- 4.2.17 The retailer will be invoiced for the cost of replacing or repairing any lottery ticket terminal(s), signs and fixtures damaged, destroyed, stolen or lost while on the premises or in the care of the retailer.
- 4.2.18 The retailer may contact AGLC's Hotline (see Subsection 1.4.2) for information regarding maintenance and replacement costs.

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**4.3 MULTIPLE TERMINAL RETAILERS**

4.3.1 AGLC may approve a retailer to operate a maximum of two lottery ticket terminals in any one facility based on the following:

- a) annual ticket sales; and
- b) availability of additional lottery ticket terminals.

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**SECTION: 4. ADMINISTRATION****4.4 COMPLIANCE**

4.4.1 AGLC may suppress one or more lottery ticket products on the lottery ticket terminal or suspend or terminate the Retailer Agreement without notice for any of the following:

- a) if the retailer fails to pay any sums payable hereunder in the manner and at the time provided for or otherwise is in breach of any term or condition contained in the Retailer Agreement;
- b) if the retailer, or any employee of the retailer, is in breach of any of the rules or regulations of AGLC, the WCLC or of the ILC as outlined in the Lottery Ticket Centre Policy Handbook and/or the Retailer Agreement;
- c) if the retailer, or any employee of the retailer, is in breach of any laws or regulations made by any governmental authority having jurisdiction which in any way relate to lotteries or the operation thereof;
- d) if the retailer sells, re-organizes, fails to remain actively involved in, or changes the nature of the business conducted by the retailer or a significant portion thereof or interest therein or if the retailer is a corporation other than a corporation the shares of which are publicly traded, voting control of the retailer changes;
- e) if the retailer or any employee of the retailer has been convicted of a crime involving fraud, theft, misrepresentation, oral turpitude or any gambling-related offence;
- f) in the event of the bankruptcy or insolvency of the retailer or if a receiver or liquidator is appointed over some or all of the assets of the retailer or in the event any of the assets of the Retailer are seized or distrained upon; and/or
- g) in the event the retailer is required to vacate the premises in which the lottery ticket terminal is located.

4.4.2 Retailers whose lottery ticket terminals are removed for cause are eligible to reapply for a lottery ticket terminal six months from date of termination and will be placed on the waitlist if applicable.

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<b>SECTION: 4. ADMINISTRATION</b>
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4.4.3 Lottery retailers will be monitored from time to time by AGLC to ensure compliance. Results of any compliance monitoring will be made known to each retailer in writing. See the Progressive Discipline Policy (Section 4.4.5).

4.4.4 For the purposes of the Progressive Discipline Policy “Lottery Retailer” refers to a person contracted by the lottery to sell lottery tickets and provide lottery services at a retail location or a person who is an employee of a retail location and is authorized to operate a lottery terminal or is involved in the handling, selling and/or validation of lottery products.

4.4.5 The progressive discipline policy is specified as follows:

**LOTTERY RETAILER PROGRESSIVE DISCIPLINE POLICY**

<b>VIOLATION</b>	<b>1<sup>st</sup> Offence</b> (within any 12-month period)	<b>2<sup>nd</sup> Offence</b> (within any 12-month period)	<b>3<sup>rd</sup> Offence</b> (within any 12-month period)	<b>4<sup>th</sup> Offence</b> (within any 12-month period)
<b>Fraud/Theft</b>	OWNER/ RETAILER: Termination of Lottery Agreement. EMPLOYEE OR CORPORATE STORE MANAGER: Termination of Lottery Agreement unless retailer demonstrates that employee no longer has access to or sells lottery products			
<b>Conduct contrary to public image of WCLC or AGLC</b>	Warning Letter	Warning Letter	Warning Letter	Repeated violations could result in Suspension or Termination of Agreement

**SECTION: 4. ADMINISTRATION**

VIOLATION	1 <sup>st</sup> Offence (within any 12-month period)	2 <sup>nd</sup> Offence (within any 12-month period)	3 <sup>rd</sup> Offence (within any 12-month period)	4 <sup>th</sup> Offence (within any 12-month period)
<b>Administrative Issues</b>	Call to location	Warning Letter or Call	Warning Letter or Call	Repeated violations could result in Suspension or Termination of Agreement
<b>Sales, validation or prize payment issues not related to fraud/theft</b> <ul style="list-style-type: none"> <li>• Did not tear and return paid winning ticket.</li> <li>• Did not return intact unpaid winning ticket.</li> <li>• Did not return non-winning ticket.</li> <li>• Did not return Validation Slip.</li> <li>• Did not check for signature on ticket. Retailer paid winning ticket over \$1,000 and claimed on behalf of customer.</li> </ul>	Warning Letter and Training	Warning Letter and Training	Mandatory Training Session minimum or up to Suspension of Lottery Terminal for a maximum of three days	Suspension of Lottery Terminal for three - seven days or up to Termination of Lottery Agreement
<b>Selling to Minors</b>	Warning Letter and Training	Suspended immediately for a minimum of 30 days	Termination of Lottery Agreement	

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	VIOLATION	1 <sup>st</sup> Offence (within any 12-month period)	2 <sup>nd</sup> Offence (within any 12-month period)	3 <sup>rd</sup> Offence (within any 12-month period)	4 <sup>th</sup> Offence (within any 12-month period)
	<b>ID Under 25 Years Old</b>	Letter to Lottery Agreement signatory  Follow up by AGLC Representative	Letter to Lottery Agreement signatory  Follow up by Supervisor/ Manager with requirement for mandatory training and advising of two day Suspension on next violation	Letter to Lottery Agreement signatory With two Day Suspension  Follow up by Manager advising of further Suspension or Termination on next violation	Letter to Lottery Agreement signatory With seven Day Suspension or Terminate Agreement

Nature of training required will be based on situation and specifics of violation.

**SECTION: 5. OPERATIONS****5.1 LOTTERY TICKET SALES**

- 5.1.1 Retailers are required to properly display and make available for sale all current authorized WCLC on-line and off-line lottery ticket products.
- 5.1.2 Retailers are required to properly display and distribute any print material provided by AGLC.
- 5.1.3 Retailers must have the lottery ticket terminal and trained staff available during hours the premises are open for business.
- 5.1.4 Retailers must provide the complete range of lottery ticket products, merchandise, and information made available by AGLC and WCLC.
- 5.1.5 Retailers must sell and actively promote the sale of all lottery tickets as may be prescribed by AGLC and to provide such services for the sale of all lottery tickets and merchandise as specified by AGLC with reasonable courtesy to purchasers and at such standards as may be reasonably expected of a prudent business person.
- 5.1.6 Retailers are prohibited from selling lottery ticket products to minors (see 5.11).

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**SECTION: 5. OPERATIONS**

**5.2 ORDERING OF TICKETS AND SUPPLIES**

- 5.2.1 Retailers shall monitor inventory levels to ensure all lottery ticket products and supplies are available on site, the merchandiser is full, and product is properly displayed.
- 5.2.2 AGLC requires two to three business days after an order is placed to deliver off-line lottery ticket products and/or supplies to retailers.
- 5.2.3 AGLC will determine regular inventory levels and call dates for off-line product orders.
- 5.2.4 Retailers must notify AGLC if they have received off-line product that is not issued to them.
- 5.2.5 Retailers may contact AGLC to order additional emergency off-line product and/or supplies as required.
- 5.2.6 Retailers must make lottery ticket products available to their lottery ticket account representative upon request.
- 5.2.7 Lottery ticket account representatives will monitor a location's sales and issue/de-issue products as deemed necessary.

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**SECTION: 5. OPERATIONS**

**5.3 TICKET ACTIVATION**

- 5.3.1 All off-line tickets must be activated before they may be sold.
- 5.3.2 Retailers are required to activate enough off-line tickets to maintain a fully stocked merchandiser.

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**SECTION: 5. OPERATIONS**

**5.4 VALIDATION AND REDEMPTION OF TICKETS**

5.4.1 Retailers are responsible to pay out prize money on winning lottery ticket products up to a value of \$100 and have the option to pay out prize money up to and including \$1000. *(Amended July 2018)*

5.4.2 Retailers shall provide the service of validating and redeeming customer's lottery tickets subject to the following:

- a) ensure customer's name is signed or printed on the back of ticket before validation process begins;
- b) return the validation slip to the customer for every ticket checked;
- c) pay only according to validation slip instructions;
- d) if the ticket is a non-winning ticket the retailer will give the validation slip and the original ticket intact to the customer;
- e) for winning tickets that the retailer is able to pay, the retailer will give the customer the validation slip, pay the winning amount, tear the winning ticket in two, and return both pieces to the customer; and
- f) for winning tickets unpaid, the retailer will return the original ticket intact to the customer.

5.4.3 Retailers receive 2% redemption commission on all lottery ticket winnings up to \$1000 paid to a customer.

5.4.4 Retailers are prohibited from validating lottery tickets and paying out prize monies to minors (see 5.11).

5.4.5 Retailers may only validate tickets purchased in the WCLC jurisdiction (AB, SK, MB, YT, NWT & NU). Customers must send tickets from other jurisdictions to the address on the back of the ticket.

5.4.6 All lottery tickets (both on-line and off-line) must be validated through the lottery ticket terminal before payment can be made and tickets must be paid according to the validation slip instructions.

5.4.7 Retailers may only pay tickets that have the customer name signed or printed on the back.

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**SECTION: 5. OPERATIONS**

- 5.4.8 For winning tickets over \$1000, merchandise prizes or “Collect to Win” prizes retailers must do the following:
- a) ensure that the customer has signed or printed their name and address on the back of the lottery ticket;
  - b) return the winning ticket intact to the customer, with the validation slip;
  - c) provide the customer a Claim Form;
  - d) provide the prize claim information number 1-800-665-3313 to the customer; and
  - e) direct the customer to the nearest Prize Payout Office or have them mail the form and the lottery ticket to the address listed on the back of the ticket by registered mail.
- 5.4.9 Retailers who cancel a lottery ticket must retain the cancelled ticket on site for a minimum of 30 days.
- 5.4.10 Retailers are not responsible for sending tickets and claim forms in on behalf of customers. This is the customer’s responsibility.
- 5.4.11 All merchandise prizes must be claimed through a Prize Payout Office (see 1.4 for address).
- 5.4.12 If there is a prize claim dispute, retailers are advised to:
- a) return the original lottery ticket intact to the customer and the corresponding validation slip;
  - b) ask the customer to fill out a Claim Form;
  - c) instruct the customer to send the claim form and the original ticket to WCLC for review (see 1.4 for mailing address);
  - d) not pay any portion of the prize to the customer; and
  - e) if the customer has further questions, advise them to contact WCLC Corporate Communications (see 1.4).

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**SECTION: 5. OPERATIONS**

**5.5 STOLEN, MISSING OR DESTROYED TICKETS**

- 5.5.1 The AGLC assumes no financial responsibility for stolen, missing, or destroyed Lottery Tickets issued to retailers or consumers.
- 5.5.2 Lottery Tickets become the property of the retailer or consumer at the time of receipt, and retailers/consumers are responsible for the security of their respective Lottery Tickets.
- 5.5.3 All Lottery Tickets must be validated before payment may be issued. If a ticket cannot be validated, the consumer should:
- a) complete a Claim Form ; and
  - b) forward the ticket along with a detailed explanation to the WCLC for investigation;
  - c) payment will be issued by the WCLC in the form of a cheque for valid claims.
- 5.5.4 No prize money may be paid by a retailer on a ticket that cannot be validated.
- 5.5.5 Payment will not be made for tickets identified as stolen or destroyed.
- 5.5.6 If a winning ticket is inadvertently destroyed, which prevents a customer from receiving their prize, contact the WCLC Hotline for further instructions.
- 5.5.7 Only the bearer of a genuine original Lottery Ticket presented for validation is eligible to receive payment. Customer name must be signed or printed on the back of the ticket.
- 5.5.8 Retailers/consumers must report missing, stolen or destroyed tickets to their local Police Department and the AGLC within 24 hours of the theft. Retailers/consumers must provide either a copy or number of the Police Department report.
- 5.5.9 In the event of a fire, retailers must report missing, stolen or destroyed Lottery Tickets to their local Fire Department and the AGLC within 24 hours of the fire. Retailers must provide a copy of or the number of the Fire Department report.
- 5.5.10 Retailers/consumers must complete a report/affidavit provided by the AGLC.

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**SECTION: 5. OPERATIONS**

**5.6 SPORT SELECT DIRECTIVE**

- 5.6.1 To protect the integrity and viability of SPORT SELECT as a recreational and entertainment sports lottery product, AGLC has implemented a policy on the maximum aggregate daily wagers that may be made by any individual person or group of persons at any retailer location.
- 5.6.2 All retailers must abide by the following criteria for processing SPORT SELECT WAGERS:
- a) the maximum aggregate wager(s) per person on any SPORT SELECT Product (except Pools) per day at any lottery ticket retailer location is \$500. *(Amended Jul 2016)*
  - b) persons must be personally present to purchase lottery tickets.
- 5.6.3 SPORT SELECT sales and network activity at retailer locations will be monitored to ensure that the objective of maintaining SPORT SELECT as a recreational and entertainment product is accomplished. IF IN DOUBT, DO NOT ACCEPT ANY WAGERS THAT MAY APPEAR TO BE CONTRARY TO THIS DIRECTIVE.
- 5.6.4 Non-compliance with this directive may result in penalties up to and including suppression of all SPORT SELECT games on the lottery ticket terminal or suspension or termination of the Retailer Agreement (see 4.4).

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**SECTION: 5. OPERATIONS**

**5.7 TICKET RETURN/BUYBACKS**

- 5.7.1 Retailers must return out of date and/or expired Lottery Tickets to the AGLC when requested to do so through Buyback and/or Chargeback notices.
- 5.7.2 The AGLC will advise by written notice the times to return out of date and/or expired Lottery Tickets.
- 5.7.3 The AGLC will provide materials (notices, forms, envelopes, etc.) and support for retailers to return out of date and/or expired Lottery Tickets.
- 5.7.4 Retailers will receive credit for all returned activated or charged products when returned, provided they have not expired at the time of processing.
- 5.7.5 The AGLC will not provide a credit refund for tickets that have expired.
- 5.7.6 The AGLC will ensure that all returned product is processed and all applicable credits issued within 6 weeks.
- 5.7.7 Retailers will be charged for Lottery Tickets not returned by the specified charge dates.
- 5.7.8 The sale of expired tickets is prohibited.
- 5.7.9 Retailers must ensure that all ticket products are returned to the AGLC before their respective expiry dates.
- 5.7.10 The cost of insurance for return ticket shipments through the courier will not be covered by the AGLC.

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**SECTION: 5. OPERATIONS**

**5.8 TICKET EXPIRY**

- 5.8.1 On-line tickets are valid for one year from each draw date. Tickets cannot be validated until the day after the first draw date indicated on the ticket.
- 5.8.2 SPORT SELECT ticket prizes must be claimed within ninety days of the date of the last game on the SPORT SELECT ticket. Expiry dates are printed on the front of SPORT SELECT tickets.
- 5.8.3 Off-line tickets expiry dates are printed on the back of the ticket and will also appear in the Luck and LottoLine magazines.

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**SECTION: 5. OPERATIONS**

**5.9 HOURS OF OPERATION**

5.9.1 The retailer must have the lottery ticket terminal and required trained staff available when the premises are open for business for the sale, validation and redemption of all lottery tickets.

5.9.2 Game breaks occur at a set time when sales for the on-line games have ended. Retailers may process any other on-line game that is not affected by a game break. Game breaks cover a period of approximately five minutes after the end of sales for the specific game.

<u>GAME BREAK FOR</u>	<u>TIME</u>	<u>DAY</u>
Western 649, & Lotto 6/49	7:00 pm MT	Wednesday & Saturday
Extra	7:00 pm MT	Wednesday, Friday & Saturday
Pick 3	7:00 pm MT	Every Day
Super 7	7:00 pm MT	Friday
Payday	7:00 pm MT	Thursday

All games not involved in game break are available for wagering.

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**SECTION: 5. OPERATIONS**

**5.10 SITE MAINTENANCE**

- 5.10.1 Should maintenance be required for the lottery ticket terminal, sign, and/or fixtures, contact the WCLC Hotline (see 1.4.2).
- 5.10.2 Service charges to repair damaged items or equipment vary depending on the type of service required.
- 5.10.3 Lottery ticket terminals must not be relocated by anyone other than an approved AGLC technician or authorized agent. To arrange for lottery ticket terminal relocations contact AGLC Hotline (see 1.4.2).

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**SECTION: 5. OPERATIONS**

**5.11 MINORS**

5.11.1 Retailers shall ensure that minors are not sold, allowed to play or to receive payment of prize monies for lottery ticket products under any circumstances.

5.11.2 Retailers are required to obtain valid identification and verify proof of age whenever a person who appears to be under 25 years of age attempts to purchase, play or receive prize payment for lottery ticket products. *(Amended Oct. 2015)*

5.11.2.1 For the purposes of Subsection 5.11.2, valid primary identification must:

- a) have a photo;
- b) have a name;
- c) *(Deleted Nov 2019)*
- d) be Government issued;
- e) include date of birth;
- f) not be expired;
- g) have a unique identifier number; and
- h) be an original (not a copy). *(Added Oct. 2015)*

5.11.3 If the identification appears not to be genuine, licensee staff must request a second piece of identification. Valid secondary identification must:

- a) have a name;
- b) be Government issued;
- c) have a unique identifier number;
- d) include date of birth. *(Amended Oct. 2015)*

5.11.4 Careful examination of identification under adequate lighting must take place to ensure:

- a) the photograph is genuine and has not been substituted;
- b) the plastic cover has not been tampered with;

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- c) the lettering that provides information on name and date of birth has not been altered; and
- d) the document is genuine.

5.11.5 *(Deleted Nov 2019)*

5.11.6 Caution should be exercised to check for identification each and every time a person of questionable age attempts to purchase, play or receive payment of prize monies for lottery ticket products. On a previous occasion, false identification may have been produced and accepted.

5.11.7 If a person of questionable age fails to satisfy the retailer or staff that they are not a minor, the retailer or staff will:

- a) refuse to sell, allow to play, or provide payout of prize monies for lottery ticket products; and
- b) if the premises is one where minors are prohibited from entering, being in or remaining in, then the person must be refused entry and asked to leave.

5.11.8 Supervisory staff of the retailer must remain constantly vigilant to ensure that adequate safeguards preventing minors from purchasing lottery tickets are maintained.

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**5.12 RENOVATIONS**

5.12.1 Retailers are required to notify AGLC of any renovations to the retail site named in the Retailer Agreement if the renovations require:

- a) the site to be closed for any amount of time; or
- b) the lottery ticket terminal to be moved.

5.12.2 Retailers may contact AGLC Hotline (see 1.4.2) to confirm any costs that may be incurred.

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**SECTION: 5. OPERATIONS****5.13 RELOCATION AND TEMPORARY RELOCATION OF LOTTERY TICKET TERMINAL**

5.13.1 For the purposes of this section:

- a) “relocation” is defined as the permanent physical relocation of the lottery ticket terminal requiring electrical or communication re-wiring to a new location within the same premises.
- b) “temporary relocation” is defined as the temporary relocation of the lottery ticket terminal to allow for physical improvements to the premises (i.e. painting, carpet laying or construction).

5.13.2 Retailers must notify AGLC of any need to relocate the lottery ticket terminal to ensure proper measures are taken to prevent damage to the terminal or facilities.

5.13.3 All relocations and temporary relocations requiring the lottery ticket terminal to be moved must meet the following requirements:

- a) move must be performed by an AGLC technician or an authorized agent; and
- b) retailer must provide AGLC with a minimum of 10 business days notice.

5.13.4 The relocation of a lottery ticket terminal to a different retail site is not permitted.

5.13.5 Retailers are responsible for the cost associated with the relocation of the lottery ticket terminal(s) and related equipment.

5.13.6 Retailers may contact AGLC Hotline (see 1.4.2) for information regarding the costs association with the relocation.

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**SECTION: 5. OPERATIONS**

**5.14 SIGNAGE, ADVERTISING AND PRODUCT PROMOTION**

- 5.14.1 Advertising and/or promotional materials related to lottery tickets are subject to AGLC review and approval prior to placement.
- 5.14.2 Retailers must prominently post items requested by AGLC such as age restrictions, point of sale, and beneficiary information.
- 5.14.3 Any advertising that may be interpreted as inducement to play is not allowed.
- 5.14.4 Failure to post signs as directed by AGLC may result in penalties up to and including the termination of the Retailer Agreement resulting in the removal of the lottery ticket terminal and related equipment.
- 5.14.5 Retailers should contact AGLC Hotline (see 1.4.2) for information and clarification regarding advertising and promotional materials.

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