



INTEROFFICE MEMO

Gary Grief, Executive Director Tyler Vance, Acting Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Bob Biard, General Counsel *RSB*

Date: April 8, 2021

Re: Consideration of the Status and Possible Approval of Orders in Enforcement Cases

The Legal Services Division staff recommends that the Commission approve each of the proposed orders presented under this item.

Date: APRIL 8, 2021

IN THE MATTER OF	§	BEFORE THE STATE OFFICE
	§	
	§	OF
THE REVOCATION OF CERTAIN	§	
LOTTERY RETAILER LICENSES	§	ADMINISTRATIVE HEARINGS

ORDER OF THE COMMISSION

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) heard the license revocation cases listed on Attachment A hereto, in which the Texas Lottery Ticket Sales Agent (Respondent) in each referenced case did not appear at the scheduled hearing before the State Office of Administrative Hearings (SOAH) to respond to the allegations set forth in the Commission's notice of hearing.

I. Findings of Fact

1. Timely and adequate notice of the hearings in the referenced cases before SOAH was provided to each Respondent, pursuant to Tex. Gov't Code §§ 2001.051 and 2001.052, and 1 Tex. Admin. Code §§ 155.401 and 155.501(b). Each notice of hearing included a disclosure in at least 12-point, bold-face type, that the factual allegations listed in the notice could be deemed admitted, and the relief sought in the notice of hearing might be granted by default against the party that fails to appear at hearing.

2. After timely and adequate notice was given in each case, each case was heard by a SOAH Administrative Law Judge (ALJ). In each case, the Respondent did not appear at the hearing.

3. The Commission, by and through its attorney of record, filed a motion to dismiss each of the referenced cases from the SOAH docket and to remand each case to the Commission for informal disposition, in accordance with Tex. Gov't Code §2001.058(d-1) and 1 Tex. Admin. Code §155.501(d)-(e).

Commission Order No. 21-0017

Date: APRIL 8, 2021

4. The ALJ dismissed the referenced cases from the SOAH docket and remanded these cases to the Commission for informal disposition under Tex. Gov't Code §2001.056, provided the Respondent in each case did not file a motion to set aside the default within 15 days from the date of the ALJ's order remanding case to Commission.

5. In each case, Respondent did not file a motion to set aside the default within 15 days from the date of the ALJ's order.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code §466.155 and 16 Tex. Admin. Code Chapter 401.

2. The Respondent in each of the cases listed on Attachment A violated the State Lottery Act and the Commission's Rules as set forth in the Commission's notice of hearing applicable to such Respondent. Specifically, each Respondent failed to deposit money due to the State received from lottery ticket sales under the State Lottery Act, in violation of Tex. Gov't Code §466.351 and 16 Tex. Admin. Code §§ 401.351 and 401.352.

3. The relief sought by the Commission Staff is fair, reasonable, and adequately protects the public.

III. Order

NOW, THEREFORE, IT IS ORDERED that, after review and due consideration of the administrative record, each of the cases listed on Attachment A hereto, which is incorporated into this Order for all purposes, is hereby disposed by default, and:

1. All allegations set forth in each notice of hearing in the cases listed on Attachment A are deemed admitted; and

Commission Order No. 21-0017

Date: APRIL 8, 2021

2. The Texas Lottery Ticket Sales Agent License for each Respondent in the cases listed on Attachment A is hereby revoked.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

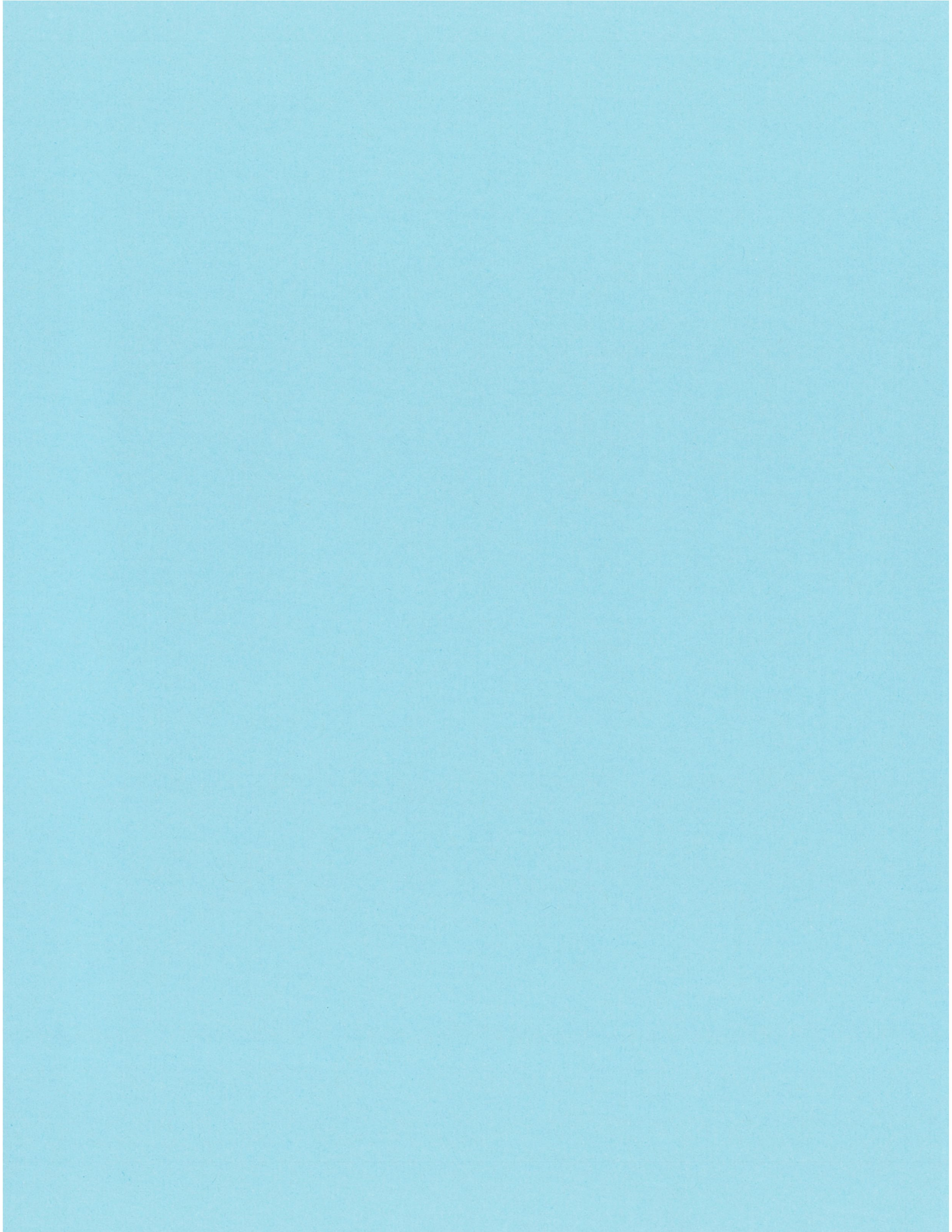
JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0017

Date: APRIL 8, 2021

ATTACHMENT A

TAB NO.	SOAH DOCKET NO.	TICKET SALES AGENT NAME	TICKET SALES AGENT ADDRESS	LOTTERY LICENSE NO.
A.	362-21-0884	SNSA LLC d/b/a Cool Mart	903 W. 2nd St. Freeport, TX 77541-5250	147517
B.	362-21-0887	Texas Vape & More Inc. d/b/a King Mart X	4498 S. Marsalis Ave. Dallas, TX 75216	188631
C.	362-21-1059	Grupo One Hallettsville LLC d/b/a Valero Istop	1149 Brittmoore Rd. Houston, TX 77043	181159
D.	362-21-1060	Ghazal Amir LLC d/b/a Quick Stop Market	4868 FM 20 Seguin, TX 78155	188219
E.	362-21-1062	Biniyam Azeze d/b/a 2B Grocery	5520 E. Lancaster Ave. Fort Worth, TX 76112	188773



SOAH DOCKET NO. 362-21-0884

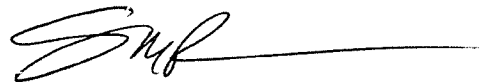
TEXAS LOTTERY COMMISSION	§	BEFORE THE STATE OFFICE
Petitioner	§	
	§	
v.	§	OF
	§	
SNSA, LLC d/b/a COOL MART,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

ORDER NO. 1
GRANTING MOTION TO DISMISS WITHOUT PREJUDICE
AND TO REMAND TO THE COMMISSION

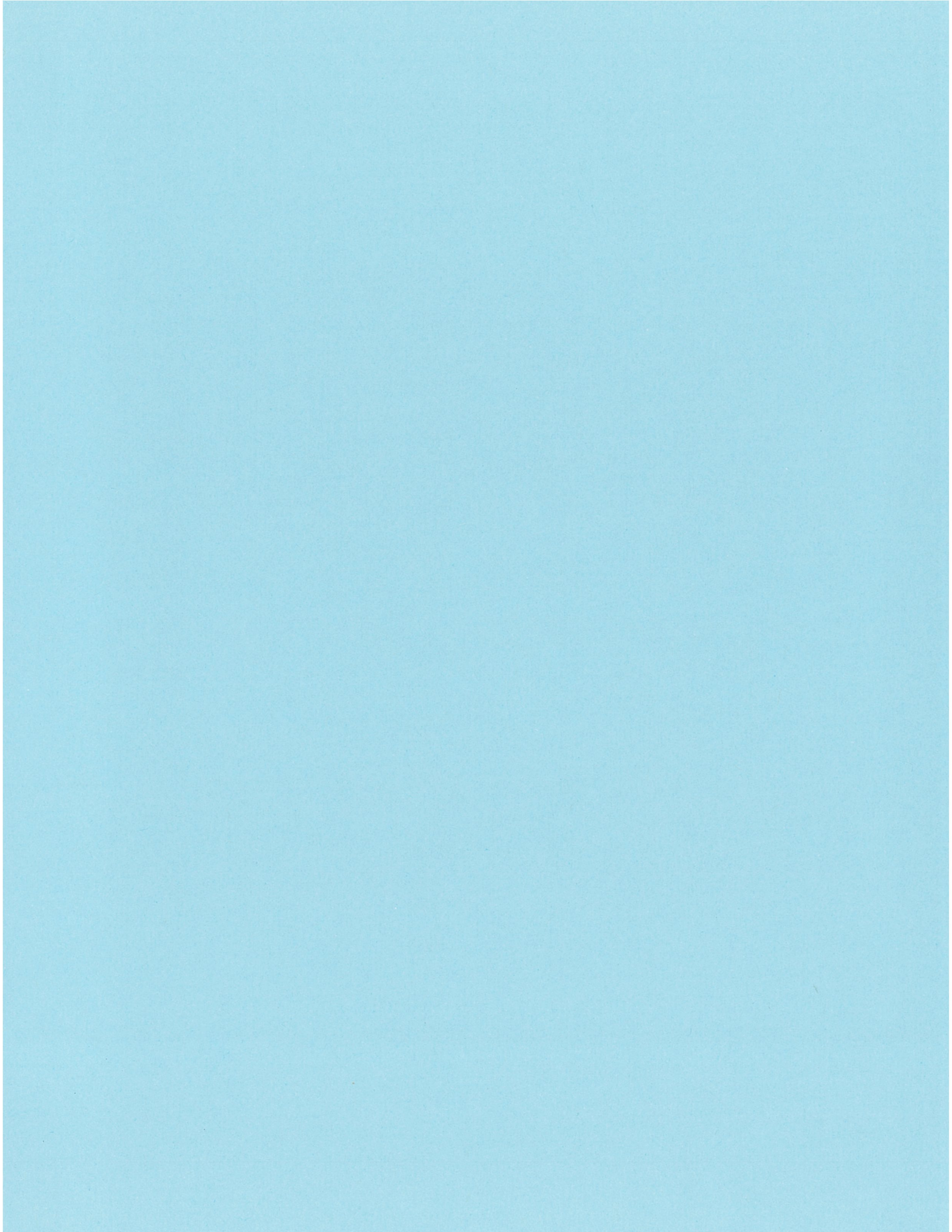
On January 29, 2021, Staff for Petitioner, Texas Lottery Commission (Commission) filed Texas Lottery Commission's Motion to Dismiss Without Prejudice and to Remand to the Commission in the above-referenced matter. The motion contained sufficient grounds for a dismissal and remand. The undersigned Administrative Law Judge finds the motion has merit and should be granted.

Accordingly, it is ordered that Texas Lottery Commission's Motion to Dismiss Without Prejudice and to Remand to the Commission is **granted**, and this matter is dismissed without prejudice from the docket of the State Office of Administrative Hearings and remanded to the Commission.

SIGNED February 1, 2021.



STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



SOAH DOCKET NO. 362-21-0887

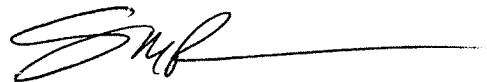
TEXAS LOTTERY COMMISSION,	§	BEFORE THE STATE OFFICE
Petitioner	§	
	§	
v.	§	OF
	§	
TEXAS VAPE & MORE, INC.	§	
d/b/a KING MART X,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

ORDER NO. 1
GRANTING MOTION TO DISMISS WITHOUT PREJUDICE
AND TO REMAND TO THE COMMISSION

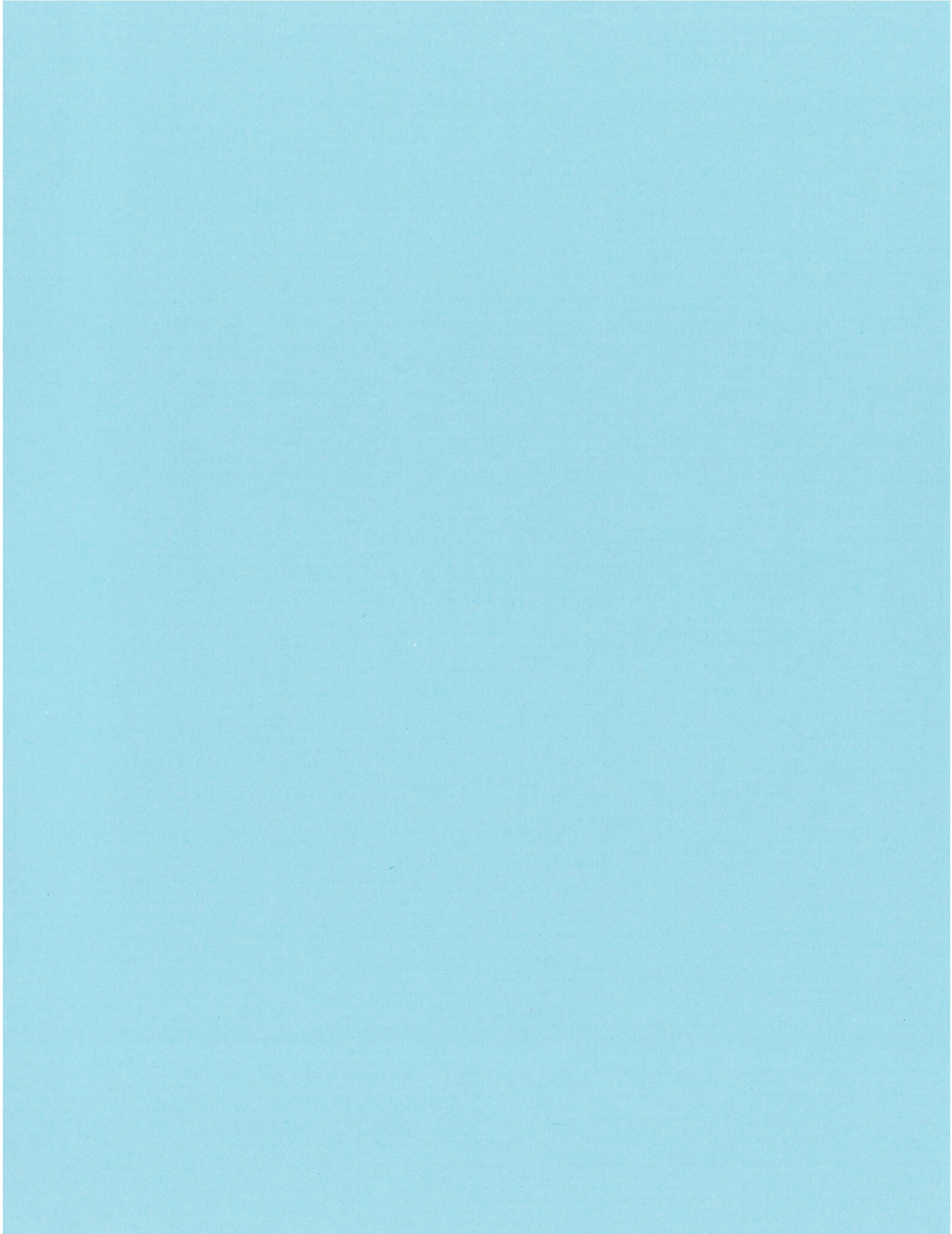
On January 29, 2021, Staff for Petitioner, Texas Lottery Commission (Commission) filed Texas Lottery Commission's Motion to Dismiss Without Prejudice and to Remand to the Commission in the above-referenced matter. The motion contained sufficient grounds for a dismissal and remand. The undersigned Administrative Law Judge finds the motion has merit and should be granted.

Accordingly, it is ordered that Texas Lottery Commission's Motion to Dismiss Without Prejudice and to Remand to the Commission is **granted**, and this matter is dismissed without prejudice from the docket of the State Office of Administrative Hearings and remanded to the Commission.

SIGNED February 1, 2021.



STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



SOAH DOCKET NO. 362-21-1059

TEXAS LOTTERY COMMISSION,
Petitioner

v.

GRUPO ONE HALLETTSVILLE d/b/a
VALERO ISTOP,
Respondent

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§

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

FILED
362-21-1059
3/8/2021 12:49 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ACCEPTED
362-21-1059
3/8/2021 1:24 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ORDER NO. 1
GRANTING MOTION TO DISMISS WITHOUT PREJUDICE
AND TO REMAND TO THE COMMISSION

This matter was set for hearing on February 25, 2021, before the undersigned Administrative Law Judge (ALJ). Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission (Commission). Grupo One Hallettsville d/b/a Valero Stop (Respondent) did not appear and was not represented at the hearing. At the hearing, Staff submitted a Motion to Dismiss Without Prejudice and to Remand to the Commission. Upon receiving Staff's Exhibits (Attachments 1-3 to Staff's motion), showing proof of adequate notice to Respondent, the ALJ granted Staff's Motion to Dismiss Without Prejudice and Remand to the Commission.¹

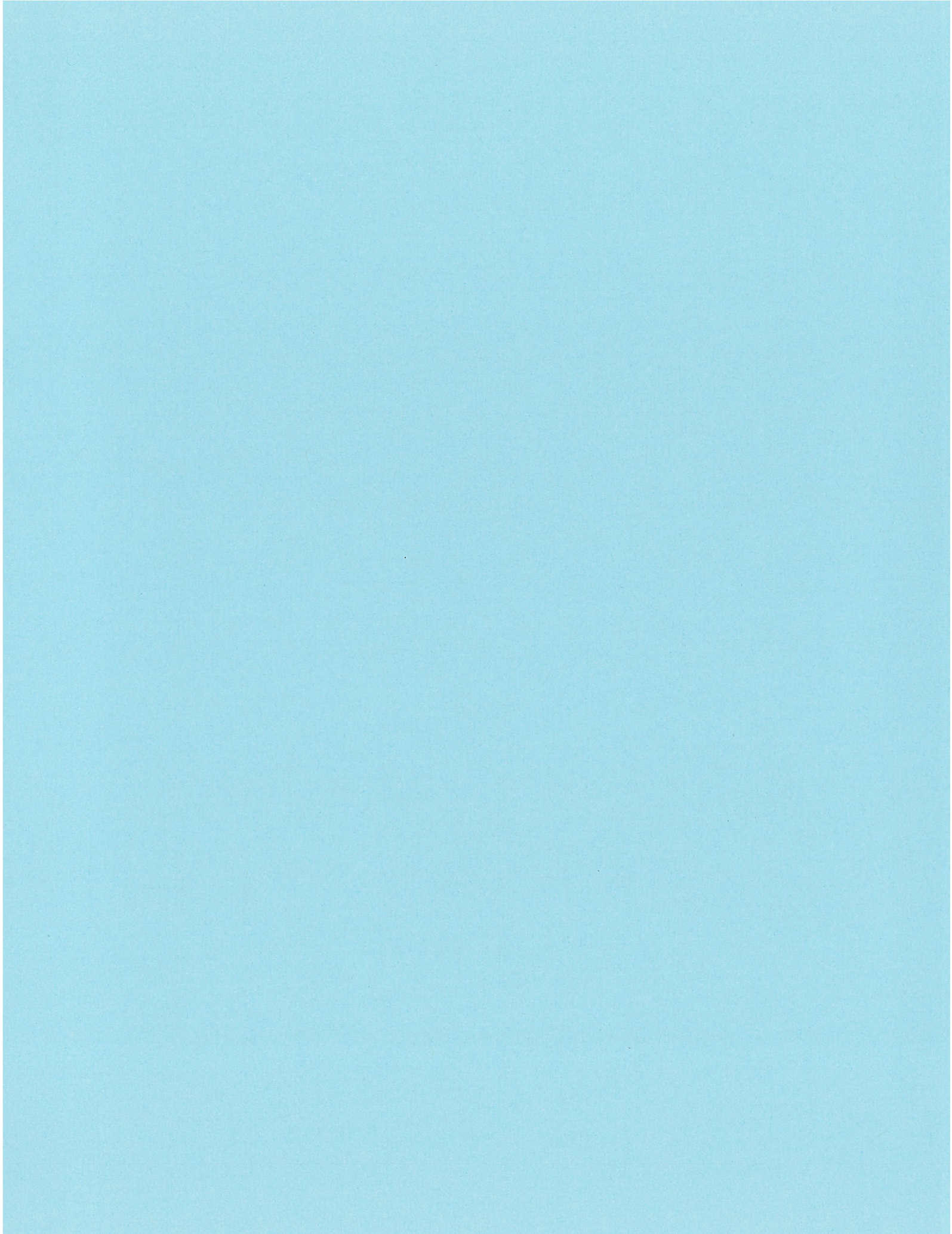
Accordingly, this matter is **dismissed** from the docket of the State Office of Administrative Hearings and returned to the Commission for informal disposition on a default basis in accordance with Texas Government Code § 2001.056.

SIGNED March 8, 2021.



STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

¹ 1 Tex. Admin. Code § 155.501(d)(1). The ALJ only reviewed the adequacy of the notice and not the sufficiency of Staff's factual allegations.



SOAH DOCKET NO. 362-21-1060

TEXAS LOTTERY COMMISSION
Petitioner

v.

GIHAZAL AMIR, LLC d/b/a QUICK
STOP MARKET,
Respondent

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BEFORE THE STATE OFFICE

OF

FILED
362-21-1060
3/8/2021 1:05 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ADMINISTRATIVE HEARINGS

ACCEPTED
362-21-1060
3/8/2021 1:25 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ORDER NO. 1

GRANTING MOTON TO DISMISS WITHOUT PREJUDICE
AND TO REMAND TO THE COMMISSION

This matter was set for hearing on February 25, 2021, before the undersigned Administrative Law Judge (ALJ). Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission (Commission). Gihazal Amir, LLC d/b/a Quick Stop Market (Respondent) did not appear and was not represented at the hearing. At the hearing, Staff submitted a Motion to Dismiss Without Prejudice and to Remand to the Commission. Upon receiving Staff's Exhibits (Attachments 1-3 to Staff's motion), showing proof of adequate notice to Respondent, the ALJ granted Staff's Motion to Dismiss Without Prejudice and Remand to the Commission.¹

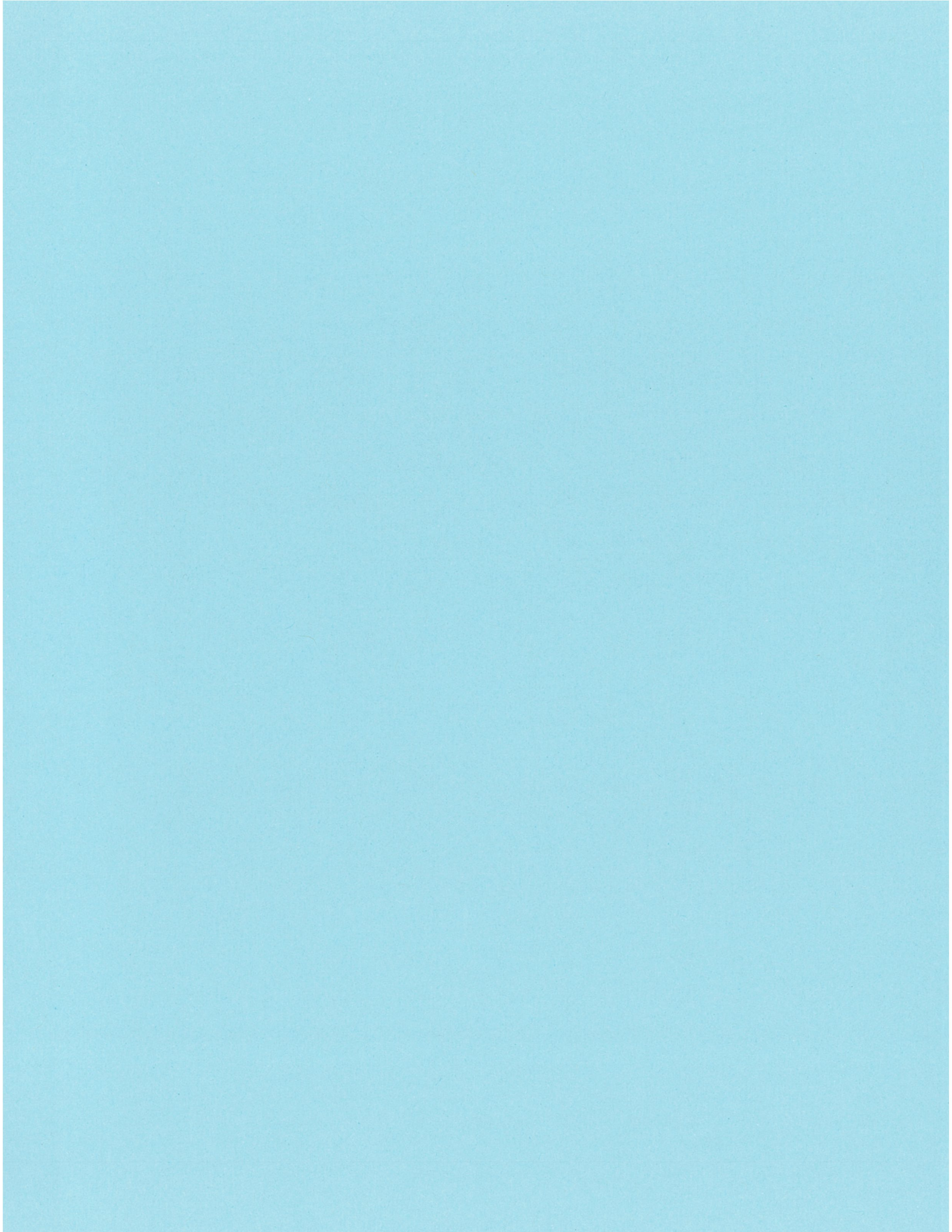
Accordingly, this matter is **dismissed** from the docket of the State Office of Administrative Hearings and returned to the Commission for informal disposition on a default basis in accordance with Texas Government Code § 2001.056.

SIGNED March 8, 2021.



STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

¹ 1 Tex. Admin. Code § 155.501(d)(1). The ALJ only reviewed the adequacy of the notice and not the sufficiency of Staff's factual allegations.



SOAH DOCKET NO. 362-21-1062

TEXAS LOTTERY COMMISSION,
Petitioner

v.

BINIYAM AZEZE d/b/a 2B GROCERY,
Respondent

§
§
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§
§
§

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

FILED
362-21-1062
3/8/2021 1:20 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

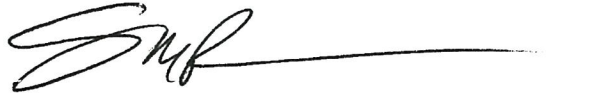
ACCEPTED
362-21-1062
3/8/2021 1:28 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Jodi Brown, CLERK

ORDER NO. 1
GRANTING MOTON TO DISMISS WITHOUT PREJUDICE
AND TO REMAND TO THE COMMISSION

This matter was set for hearing on February 25, 2021, before the undersigned Administrative Law Judge (ALJ). Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission (Commission). Biniyam Azeze d/b/a 2B Grocery (Respondent) did not appear and was not represented at the hearing. At the hearing, Staff submitted a Motion to Dismiss Without Prejudice and to Remand to the Commission. Upon receiving Staff's Exhibits (Attachments 1-3 to Staff's motion), showing proof of adequate notice to Respondent, the ALJ granted Staff's Motion to Dismiss Without Prejudice and Remand to the Commission.¹

Accordingly, this matter is **dismissed** from the docket of the State Office of Administrative Hearings and returned to the Commission for informal disposition on a default basis in accordance with Texas Government Code § 2001.056.

SIGNED March 8, 2021.



STEVEN M. RIVAS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

¹ 1 Tex. Admin. Code § 155.501(d)(1). The ALJ only reviewed the adequacy of the notice and not the sufficiency of Staff's factual allegations.

Commission Order No. 21-0018

Date: APRIL 8, 2021

Case No. 2021-75

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
B T RAND OIL COMPANY	§	
D/B/A FASTBREAK 1	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 213601	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and B T Rand Oil Company d/b/a Fastbreak 1 (Fastbreak) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Fastbreak holds Texas Lottery Ticket Sales Agent License No. 213601.
2. Russell S. Rand is the vice president of Fastbreak, which is located at 695 N. Main St., Vidor, TX 77662.
3. On March 5, 2020, the Commission received a complaint that Fastbreak required a \$20 minimum to purchase Texas Lottery tickets with a debit card. Based on an internal review, the Commission initiated an investigation into this complaint.
4. On March 16, 2020, a Commission investigator attempted to purchase a \$1 Texas Lottery scratch ticket and a \$1 Texas Lottery draw ticket with a debit card at Fastbreak. Shannon Baldwin, the clerk on duty, told the investigator that there was a \$20 minimum purchase requirement to purchase Texas Lottery tickets with a debit card.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Fastbreak is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.302(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket at a price the person knows is greater than that fixed by the commission or by the lottery operator authorized to set that price.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...
(22) licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director.¹

...
(23) licensee charges a fee for lottery ticket purchases using a debit card and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.²

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

¹ Renumbered from §401.158(b)(23) effective on August 30, 2020.

² New §401.158(b)(23) effective August 30, 2020.

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Fastbreak is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Fastbreak's violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and (23) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Fastbreak agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Fastbreak agrees that, as a result of its violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and (23) and 401.366, its Ticket Sales Agent License will be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Fastbreak agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Fastbreak is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Fastbreak's Ticket Sales Agent License is posted.

5. Fastbreak agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Fastbreak's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Fastbreak acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.


7. Fastbreak agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Fastbreak has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Fastbreak, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

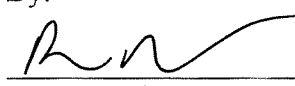
8. Fastbreak agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Fastbreak will be charged for tickets sold on or before that date. Fastbreak will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

B T Rand Oil Company
d/b/a Fastbreak 1

Texas Lottery Commission
Lottery Operations Division

By:  2-24-2021
Russell S. Rand DATE
President

By:  2-26-2021
Ryan S. Mindell DATE
Director

Commission Order No. 21-0018

Date: APRIL 8, 2021

Case No. 2021-75

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
B T RAND OIL COMPANY	§	
D/B/A FASTBREAK 1	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 213601	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of B T Rand Oil Company d/b/a Fastbreak 1 (Fastbreak) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Fastbreak shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Fastbreak shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Fastbreak's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Fastbreak has failed to comply

Commission Order No. 21-0018

Date: APRIL 8, 2021

with the terms of this Order, disciplinary action shall be taken against Fastbreak, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Fastbreak shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Fastbreak will be charged for the tickets sold on or before that date. Fastbreak will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0019

Date: APRIL 8, 2021

Case No. 2021-76

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
ZARIA BUSINESS INC.	§	
D/B/A PORKY'S	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 185610	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Zaria Business Inc. d/b/a Porky's (Porky's) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Porky's holds Texas Lottery Ticket Sales Agent License No. 185610.
2. Arif Rehman is the director of Porky's, which is located at 1585 Calder Ave., Beaumont, TX 77701.
3. On January 21, 2020, the Commission received a complaint that Porky's required an additional store purchase to purchase Texas Lottery tickets with a debit card. Based on an internal review, the Commission initiated an investigation into this complaint.
4. On February 19, 2020, a Commission investigator attempted to purchase a \$2 Texas Lottery scratch ticket with a debit card at Porky's. The clerk on duty told the investigator that there was a \$0.05 charge to use a debit card unless he purchased additional store merchandise.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Porky's is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.302(a) states:

A person commits an offense if the person intentionally or knowingly sells a ticket at a price the person knows is greater than that fixed by the commission or by the lottery operator authorized to set that price.

4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...
(22) licensee charges a fee for lottery ticket purchases using a debit card and/or requires a minimum dollar amount for debit card purchases of only lottery tickets.

5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).

7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Porky's is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Porky's violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Porky's agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Porky's agrees that, as a result of its violation of Tex. Gov't Code §466.302(a) and 16 Tex. Admin. Code §§ 401.158(b)(22) and 401.366, its Ticket Sales Agent License will be suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Porky's agrees that it will not sell Texas Lottery

tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Porky's is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Porky's Ticket Sales Agent License is posted.

5. Porky's agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Porky's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Porky's acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Porky's agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Porky's has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Porky's, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

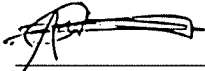
8. Porky's agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Porky's will be charged for tickets sold on or before that date. Porky's will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Zaria Business Inc.
d/b/a Porky's

Texas Lottery Commission
Lottery Operations Division

By:

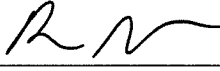


2/16/2021

Arif Rehman
Director

DATE

By:



2-18-21

Ryan S. Mindell
Director

DATE

Commission Order No. 21-0019

Date: APRIL 8, 2021

Case No. 2021-76

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
ZARIA BUSINESS INC.	§	
D/B/A PORKY'S	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 185610	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Zaria Business Inc. d/b/a Porky's (Porky's) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Porky's shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Porky's shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Porky's Texas Lottery Ticket Sales Agent License is posted.

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Porky's has failed to comply

Commission Order No. 21-0019

Date: APRIL 8, 2021

with the terms of this Order, disciplinary action shall be taken against Porky's, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Porky's shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Porky's will be charged for the tickets sold on or before that date. Porky's will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0020

Date: APRIL 8, 2021

Case No. 2021-171

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
UDAY STORES INC.	§	
D/B/A UDAY #29	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 187053	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Uday Stores Inc. d/b/a Uday #29 (Uday) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Uday holds Texas Lottery Ticket Sales Agent License No. 187053.
2. Varun Sharma is the vice president of Uday, which is located at 3008 Atkinson Dr., Lufkin, TX 75901.
3. On April 10, 2020, the Commission received a complaint that Uday sold a "\$250,000 50X Cashword" Texas Lottery scratch ticket that was pre-scratched in a bonus play area. The Commission initiated an investigation into this complaint.
4. On April 14, 2020, a Commission investigator spoke with Robin Wilson, Uday manager, who told the investigator that Amanda Shiflet, Uday employee, admitted to scratching the ticket when confronted about the complaint. Based on that admission, Ms. Wilson terminated Ms. Shiflet from employment at Uday.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401.
2. Uday is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.
3. Tex. Gov't Code §466.307(a) states:

A person commits an offense if the person intentionally or knowingly influences or attempts to influence the selection of the winner of a lottery game.
4. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

. . .

(30) licensee intentionally or knowingly influences or attempts to influence the selection of a winner of a lottery game.
5. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.
6. The Texas Legislature has mandated that the Commission "exercise strict control and close supervision over all lottery games conducted in this state to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the lottery." Tex. Gov't Code §466.014(a).
7. Under Texas law, an employer is liable, vicariously, for the acts of its servants committed in the course and scope of their employment. *GTE Southwest, Inc. v. Bruce*, 998 S.W.2d 605, 617–18 (Tex. 1999). An employee is acting within the scope of their employment if they are

performing duties generally assigned to them, regardless of whether the employee acted intentionally and unlawfully. *Fink v. Anderson*, 477 S.W.3d 460, 468 (Tex. App.— Houston [1st Dist.] 2015, no pet.).

8. The State Lottery Act recognizes that a sales agent's unlicensed employees may lawfully perform lottery-related duties of their licensee employers, including selling and handling lottery tickets and handling the revenue generated from ticket sales. Tex. Gov't Code §§ 466.201(a)(7), 466.303(a), 466.305(a), 466.3051(a), and 466.353(a). Thus, the Commission's ability to attribute employee violations committed within the course and scope of their employment to their licensee employer is within the Commission's implied authority and is reasonably necessary to fulfill the Commission's express duty to exercise strict control and supervision over the lottery.

9. The Texas Lottery Ticket Sales Agent License of Uday is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Uday's violation of Tex. Gov't Code §466.307(a) and 16 Tex. Admin. Code §§ 401.158(b)(30) and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Uday agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Uday agrees that, as a result of its violation of Tex. Gov't Code §466.307(a) and 16 Tex. Admin. Code §§ 401.158(b)(30) and 401.366, its Ticket Sales Agent License will be

suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Uday agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Uday is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Uday's Ticket Sales Agent License is posted.

5. Uday agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Uday's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Uday acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Uday agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Uday has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Uday, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

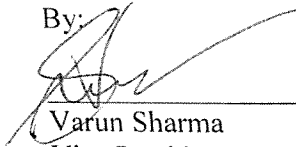
8. Uday agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Uday will be charged for tickets sold on or before that date. Uday will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Uday Stores Inc.
d/b/a Uday #29

Texas Lottery Commission
Lottery Operations Division

By:

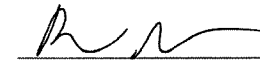


Varun Sharma
Vice President

1/29/21

DATE

By:



Ryan S. Mindell
Director

1-29-2021

DATE

Commission Order No. 21-0020

Date: APRIL 8, 2021

Case No. 2021-171

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
UDAY STORES INC.	§	
D/B/A UDAY #29	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 187053	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Uday Stores Inc. d/b/a Uday #29's (Uday) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ten (10) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Uday shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Uday shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Uday's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 21-0020

Date: APRIL 8, 2021

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Uday has failed to comply with the terms of this Order, disciplinary action shall be taken against Uday, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Uday shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Uday will be charged for the tickets sold on or before that date. Uday will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 21-0020

Date: APRIL 8, 2021

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0021

Date: APRIL 8, 2021

Case No. 2021-173

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
LIKHI ENTERPRISES LLC	§	
D/B/A QUIK SHOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 182785	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Likhi Enterprises LLC d/b/a Quik Shop (Quik Shop) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Quik Shop holds Texas Lottery Ticket Sales Agent License No. 182785.
2. Udaya Movva is the owner of Quik Shop, which is located at 1200 N. Main St., Cleburne, TX 76033.
3. On January 23, 2020, Ms. Lakshimi Movva, Mr. Movva's wife, presented to the Fort Worth Claim Center for payment a Texas Lottery scratch ticket with a prize value of \$1,000. Based on an internal review, the Commission initiated an investigation into this claim.
4. On May 13, 2020, Ms. Movva told a Commission investigator that she received the ticket from her husband who purchased the ticket from a store customer. Mr. Movva corroborated his wife's statement and told the investigator that he purchased the ticket from a store customer and gave the ticket to his wife to claim.
5. On May 14, 2020, Mr. Movva changed his statement and told the investigator that he did not purchase the ticket from a customer, but that his wife did.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Quik Shop is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

4. Tex. Gov't Code §466.312(a) states, in pertinent part:

A person commits an offense if the person intentionally or knowingly makes a material and false, incorrect, or deceptive statement to a person conducting an investigation or exercising discretion under this chapter or a rule adopted under this chapter.

5. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

6. Tex. Gov't Code 16 Tex. Admin. Code §401.158(b) states, in pertinent parts:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(33) licensee:

- (A) induces another person to assign or transfer a right to claim a prize;
- (B) initiates or accepts an offer to sell the right to claim a prize;
- (C) initiates or accepts an offer of compensation from another person to claim a lottery prize, or
- (D) purchases a lottery ticket from a person who is not a licensed lottery retailer.

...

(37) licensee intentionally or knowingly makes a material and false or incorrect, or deceptive statement, written or oral, to a person conducting an investigation under the State Lottery Act or a commission rule.

7. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

8. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

9. The Texas Lottery Ticket Sales Agent License of Quik Shop is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Quik Shop's violation of Tex. Gov't Code §§ 466.310(a), 466.312(a), and 466.402(b); and 16 Tex. Admin. Code §§ 401.158(b)(33) and (37), 401.360, and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Quik Shop agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Quik Shop agrees that, as a result of its violation of Tex. Gov't Code §§ 466.310(a), 466.312(a), and 466.402(b); and 16 Tex. Admin. Code §§ 401.158(b)(33) and (37), 401.360, and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of

Agreement and Consent Order is signed by the Commission. During the period of suspension, Quik Shop agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Quik Shop is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Quik Shop's Ticket Sales Agent License is posted.

5. Quik Shop agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional disciplinary action, up to and including suspension or revocation of Quik Shop's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Quik Shop acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Quik Shop agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Quik Shop has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Quik Shop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Quik Shop agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Quik Shop will be charged for tickets sold on or before that date. Quik Shop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Likhi Enterprises LLC
d/b/a Quik Shop

Texas Lottery Commission
Lottery Operations Division

By:



03/03/2021

Udaya Movva
Owner

DATE

By:



3-9-21

Ryan S. Mindell
Director

DATE

Commission Order No. 21-0021

Date: APRIL 8, 2021

Case No. 2021-173

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
LIKHI ENTERPRISES LLC	§	
D/B/A QUIK SHOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 182785	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Likhi Enterprises LLC d/b/a Quik Shop's (Quik Shop) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Quik Shop shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Quik Shop shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Quik Shop's Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 21-0021

Date: APRIL 8, 2021

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Quik Shop has failed to comply with the terms of this Order, disciplinary action shall be taken against Quik Shop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Quik Shop shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Quik Shop will be charged for the tickets sold on or before that date. Quik Shop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 21-0021

Date: APRIL 8, 2021

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER

Commission Order No. 21-0022

Date: APRIL 8, 2021

Case No. 2021-246

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
AJAY & ANSHU LLC	§	
D/B/A QUICK STOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 183889	§	LOTTERY COMMISSION

MEMORANDUM OF AGREEMENT AND CONSENT ORDER

The Texas Lottery Commission (Commission) and Ajay & Anshu LLC d/b/a Quick Stop (Quick Stop) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into this Consent Order.

AGREED FINDINGS OF FACT

1. Quick Stop holds Texas Lottery Ticket Sales Agent License No. 183889.
2. Ajay Raj Kafley is the managing member of Quick Stop, which is located at 3100 W. Arkansas Lane, Suite S, Arlington, TX 76016.
3. On June 18, 2020, Mr. Kafley presented to the Fort Worth Claim Center for payment a Texas Lottery scratch ticket with a prize value of \$2,000. Based on an internal review, the Commission initiated an investigation into this claim.
4. On August 24, 2020, Mr. Kafley admitted to a Commission investigator to purchasing the prize-winning scratch ticket from a customer for less than its \$2,000 prize value.

AGREED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Tex. Gov't Code ch. 466 (State Lottery Act) and 16 Tex. Admin. Code ch. 401 (Commission rules).

2. Quick Stop is obligated to follow the provisions of the State Lottery Act and the Commission rules to maintain its Texas Lottery Ticket Sales Agent License.

3. Tex. Gov't Code §466.310(a) states:

A person commits an offense if the person:

- (1) induces another person to assign or transfer a right to claim a prize;
- (2) offers for sale the right to claim a prize; or
- (3) offers, for compensation, to claim the prize of another person.

4. Tex. Gov't Code §466.402(b) states:

The payment of a prize in an amount of \$600 or more may be made only by the director.

5. 16 Tex. Admin. Code §401.158(b) states, in pertinent part:

Without limiting the commission's ability to consider factors listed in §401.153(b) of this title as grounds for suspension or revocation of a license issued under this subchapter, the commission may also suspend or revoke a license for reasons including, but not limited to, any of the following:

...

(33) licensee:

- (A) induces another person to assign or transfer a right to claim a prize;
- (B) initiates or accepts an offer to sell the right to claim a prize;
- (C) initiates or accepts an offer of compensation from another person to claim a lottery prize, or
- (D) purchases a lottery ticket from a person who is not a licensed lottery retailer.

6. 16 Tex. Admin. Code §401.360 states:

Retailers may pay any lottery prize of less than \$600, after complying with established validation procedures. However, if a retailer validates a ticket of up to \$600, that retailer shall pay the prize amount on the ticket. Prizes of \$600 or more shall be paid by the Texas Lottery by mail or at a designated lottery claim center.

7. 16 Tex. Admin. Code §401.366 states:

Each retailer agrees to operate in a manner consistent with the State Lottery Act, applicable federal laws, Texas laws, local ordinances, with all terms and conditions related to the retailer's license, with all requirements set forth in the most recent Retailer Manual, the rules and regulations promulgated by the commission, and with his/her or its license agreements with the Texas Lottery.

8. The Texas Lottery Ticket Sales Agent License of Quick Stop is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Quick Stop violation of Tex. Gov't Code §466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33)(A)-(D), 401.360, and 401.366.

MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, Quick Stop agrees to these terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Order consistent with the terms of this Memorandum of Agreement, including but not limited to the right to notice of hearing, a formal hearing, a proposal for decision, a rehearing, and any right to seek judicial review of the Order.

2. The effective date of this Memorandum of Agreement and Consent Order shall be the date it is signed by the Commission.

3. Quick Stop agrees that, as a result of its violation of Tex. Gov't Code §466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33)(A)-(D), 401.360, and 401.366, its Ticket Sales Agent License will be suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Memorandum of Agreement and Consent Order is signed by the Commission. During the period of suspension, Quick Stop agrees that it will not sell Texas Lottery tickets of any kind, will not validate Texas Lottery tickets, and will not pay lottery prizes to customers.

4. During the entire period of suspension hereunder, Quick Stop is required to post a notice of suspension in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Quick Stop Ticket Sales Agent License is posted.

5. Quick Stop agrees this Memorandum of Agreement and Consent Order applies only to the facts and circumstances stated herein. The Commission reserves the right to take additional

disciplinary action, up to and including suspension or revocation of Quick Stop Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Quick Stop acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and the Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission.

7. Quick Stop agrees that if, after a formal hearing on the sole issue of compliance with the Memorandum of Agreement and Consent Order, it is found that Quick Stop has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Quick Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Quick Stop agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Quick Stop will be charged for tickets sold on or before that date. Quick Stop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

AGREED AS TO FORM AND SUBSTANCE:

Ajay & Anshu LLC
d/b/a Quick Stop

By:



Ajay Raj Kafley
Managing Member

03/10/21

DATE

Texas Lottery Commission
Lottery Operations Division

By:



Ryan S. Mindell
Director

3-11-21

DATE

Commission Order No. 21-0022

Date: APRIL 8, 2021

Case No. 2021-246

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
AJAY & ANSHU LLC	§	
D/B/A QUICK STOP	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 183889	§	LOTTERY COMMISSION

CONSENT ORDER

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Conclusions of Law and Memorandum of Agreement, which are hereby adopted and incorporated by reference as if fully set out and separately stated herein, as follows:

(1) IT IS ORDERED by the Commission that, in lieu of revocation of Ajay & Anshu LLC d/b/a Quick Stop (Quick Stop) Texas Lottery Ticket Sales Agent License, the license is suspended for a period of ninety (90) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order is signed by the Commission. During the period of suspension, Quick Stop shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

(2) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Quick Stop shall post a notice of suspension, in the form and at the location prescribed by the Commission, visible to store customers, in the same area where Quick Stop Texas Lottery Ticket Sales Agent License is posted.

Commission Order No. 21-0022

Date: APRIL 8, 2021

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Consent Order, it is found that Quick Stop has failed to comply with the terms of this Order, disciplinary action shall be taken against Quick Stop, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Quick Stop shall provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins, that these active tickets will settle on that date, and Quick Stop will be charged for the tickets sold on or before that date. Quick Stop will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission on or before the date the suspension begins.

Commission Order No. 21-0022

Date: APRIL 8, 2021

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 8TH day of APRIL, 2021.

Entered this 8TH day of APRIL, 2021.

ROBERT G. RIVERA, CHAIRMAN

CINDY FIELDS, COMMISSIONER

MARK A. FRANZ, COMMISSIONER

ERIK C. SAENZ, COMMISSIONER

JAMES H. C. STEEN, COMMISSIONER