





# INTEROFFICE MEMO

*Gary Grief, Executive Director      LaDonna Castañuela, 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 *RBB*

**Date:** April 6, 2022

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

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



**Date: APRIL 6, 2022**

<b>IN THE MATTER OF</b>	§	<b>BEFORE THE STATE OFFICE</b>
	§	
	§	<b>OF</b>
<b>THE REVOCATION OF CERTAIN</b>	§	
<b>LOTTERY RETAILER LICENSES</b>	§	<b>ADMINISTRATIVE HEARINGS</b>

**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 in each case requesting the ALJ issue a conditional order of default dismissal and remand 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. 22-0023**

**Date: APRIL 6, 2022**

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 the 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 (State Lottery Act) and 16 Tex. Admin. Code Chapter 401 (Commission Rules).

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. 22-0023**

**Date: APRIL 6, 2022**

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 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER

**Commission Order No. 22-0023**

**Date: APRIL 6, 2022**

**ATTACHMENT A**

<b>TAB NO.</b>	<b>SOAH DOCKET NO.</b>	<b>TICKET SALES AGENT NAME</b>	<b>TICKET SALES AGENT ADDRESS</b>	<b>LOTTERY LICENSE NO.</b>
A.	362-22-1010	Monroe Corner Store Inc. d/b/a Beverly Quick Stop	1601 Monroe St. Wichita Falls, TX 76309	184483
B.	362-22-1011	Monroe Corner Store Inc. d/b/a Monroe Grocery	1601 Monroe St. Wichita Falls, TX 76309	184484
C.	362-22-1117	Liberty Food Store LLC d/b/a Liberty Food Store LLC	3801 Liberty Rd. Houston, TX 77026	188441
D.	362-22-1173	Autonomy Enterprises LLC d/b/a Grab N Go Tobacco	19214 Cannon Hills Ln. Richmond, TX 77407	188404
E.	362-22-1195	Ace's One Stop LLC d/b/a Aces One Stop	107 Highway 90 W. Devers, TX 77538	190776
F.	362-22-1403	Chau Business Ventures LLC d/b/a Jenny's Food Mart	11420 West Rd. Houston, TX 77065	190899

## SOAH DOCKET NO. 362-22-1010

IN THE MATTER OF  
 THE REVOCATION OF  
 LOTTERY SALES AGENT LICENSE  
 HELD BY MONROE CORNER STORE  
 INC. d/b/a BEVERLY QUICK STOP

§  
 §  
 §  
 §  
 §

BEFORE THE STATE OFFICE  
 OF  
 ADMINISTRATIVE HEARINGS

FILED  
 362-22-1010  
 1/20/2022 2:10 PM  
 STATE OFFICE OF  
 ADMINISTRATIVE HEARINGS  
 Jessie Harbin, CLERK

**ORDER NO. 2**  
**ORDER OF DEFAULT DISMISSAL**

ACCEPTED  
 362-22-1010  
 1/20/2022 3:36 PM  
 STATE OFFICE OF  
 ADMINISTRATIVE HEARINGS  
 Jessie Harbin, CLERK

On January 20, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kristen Guthrie appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Monroe Corner Store Inc. d/b/a Beverly Quick Stop (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED January 20, 2022.**



**SARAH STARNES**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

<sup>2</sup> 1 Tex. Admin. Code § 155.501(e)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



FILED  
362-22-1011  
1/20/2022 2:18 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jessie Harbin, CLERK

**SOAH DOCKET NO. 362-22-1011**

ACCEPTED  
362-22-1011  
1/20/2022 3:38 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jessie Harbin, CLERK

<p><b>IN THE MATTER OF THE REVOCATION OF LOTTERY SALES AGENT LICENSE HELD BY MONROE CORNER STORE INC. d/b/a MONROE GROCERY</b></p>	<p>§ § § § §</p>	<p><b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b></p>
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**ORDER NO. 2  
ORDER OF DEFAULT DISMISSAL**

On January 20, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kristen Guthrie appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Monroe Corner Store Inc. d/b/a Monroe Grocery (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED January 20, 2022.**




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**SARAH STARNES  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS**

<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

<sup>2</sup> 1 Tex. Admin. Code § 155.501(e)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



SOAH DOCKET NO. 362-22-1117

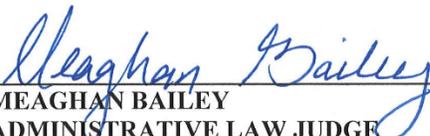
IN THE MATTER OF § BEFORE THE STATE OFFICE  
THE REVOCATION OF CERTAIN §  
LOTTERY RETAILER LICENSES § OF  
HELD BY LIBERTY FOOD STORE §  
LLC DBA LIBERTY FOOD STORE § ADMINISTRATIVE HEARINGS  
LLC

ORDER NO. 2  
ORDER OF DEFAULT DISMISSAL

On January 27, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kyle Wolfe appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Liberty Food Store LLC d/b/a Liberty Food Store LLC (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED February 2, 2022.**

  
MEAGHAN BAILEY  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

<sup>1</sup> 1 Tex. Admin. Code § 155.501(b), as amended effective November 29, 2020.

<sup>2</sup> 1 Tex. Admin. Code § 155.501(d)(1), as amended effective November 29, 2020.

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e), as amended effective November 29, 2020.

<sup>4</sup> Tex. Gov't Code § 2001.056.



FILED  
362-22-1173  
2/8/2022 10:13 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Carol Hale, CLERK

SOAH DOCKET NO. 362-22-1173

ACCEPTED  
362-22-1173  
2/8/2022 10:18:46 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Carol Hale, CLERK

<p><b>IN THE MATTER OF THE REVOCATION OF LOTTERY SALES AGENT LICENSE HELD BY AUTONOMY ENTERPRISES LLC d/b/a GRAB N GO TOBACCO</b></p>	<p>§ § § § §</p>	<p><b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b></p>
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**ORDER 2  
ORDER OF DEFAULT DISMISSAL**

On February 3, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Kristen Guthrie appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Autonomy Enterprises LLC d/b/a Grab N Go Tobacco (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed: February 8, 2022.**



KATERINA DEANGELO  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

<sup>2</sup> 1 Tex. Admin. Code § 155.501(e)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



FILED  
362-22-1195  
2/11/2022 1:51 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Pegah Nasrollahzadeh, CLERK

SOAH DOCKET NO. 362-22-1195

ACCEPTED  
362-22-1195  
2/11/2022 2:18:48 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Pegah Nasrollahzadeh, CLERK

<p><b>IN THE MATTER OF THE REVOCATION OF LOTTERY SALES AGENT LICENSE HELD BY ACE'S ONE STOP LLC D/B/A ACES ONE STOP</b></p>	<p>§ § § § §</p>	<p><b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b></p>
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**ORDER NO. 2  
ORDER OF DEFAULT DISMISSAL**

On February 10, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Tyler Vance appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Ace's One Stop LLC d/b/a Aces One Stop (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED February 11, 2022.**




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**DEE MARLO CHICO  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

<sup>2</sup> 1 Tex. Admin. Code § 155.501(e)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



SOAH DOCKET NO. 362-22-1403

IN THE MATTER OF	§	BEFORE THE STATE OFFICE
	§	
THE SUMMARY SUSPENSION	§	
	§	OF
OF	§	
	§	
CHAU BUSINESS VENTURES LLC	§	
d/b/a JENNY'S FOOD MART	§	ADMINISTRATIVE HEARINGS

**ORDER NO. 2**  
**ORDER OF DEFAULT DISMISSAL**

On March 3, 2022, the undersigned Administrative Law Judge (ALJ) convened a hearing on the merits in this matter. Attorney Tyler Vance appeared for the staff (Staff) of the Texas Lottery Commission (Commission). Chau Business Ventures LLC d/b/a Jenny's Food Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted showing proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion is **GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

Respondent may file a motion to set aside the default within 15 days of the date of this order.<sup>3</sup> The motion must show good cause for resetting a hearing or show that the interests of justice require setting aside the default. If Respondent does not file a timely motion to set aside, or if the ALJ finds that a filed motion should be denied, the contested case is remanded to the Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**SIGNED March 10, 2022.**



ROSS HENDERSON  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

<sup>2</sup> 1 Tex. Admin. Code § 155.501(e)(1).

<sup>3</sup> 1 Tex. Admin. Code § 155.501(e).

<sup>4</sup> Tex. Gov't Code § 2001.056.



**Commission Order No. 22-0024**

**Date: APRIL 6, 2022**

**Case No. 2022-69**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>LUCKY SPOTS VENTURES LLC</b>	<b>§</b>	
<b>D/B/A LUCKY SPOT</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 189091</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Lucky Spots Ventures LLC d/b/a Lucky Spot (Lucky Spot) 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. Lucky Spot holds Texas Lottery Ticket Sales Agent License No. 189091.
2. Shoaib Ali is the managing member of Lucky Spot, which is located at 4301 Fredericksburg Rd., San Antonio, TX 78201.
3. On June 1, 2021, the Commission received a complaint that Lucky Spot required a \$20 minimum purchase when purchasing Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On August 18, 2021, Mr. Ali admitted to a Commission investigator that it was a store policy to require a minimum \$20 amount for debit card purchases of only lottery tickets.

**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. Lucky Spot 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 §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...  
(5) has violated this chapter or a rule adopted under this chapter.

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:

...  
(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.

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 from the Texas Lottery.

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

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Lucky Spot 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. Lucky Spot agrees that, as a result of its violation of 16 Tex. Admin. Code §§ 401.158(b)(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, Lucky Spot 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, Lucky Spot 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 Lucky Spot's Ticket Sales Agent License is posted.

5. Lucky Spot 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 Lucky Spot's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Lucky Spot 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. Lucky Spot 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 Lucky Spot has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action

shall be taken against Lucky Spot, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

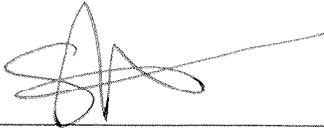
8. Lucky Spot agrees to provide all active and settled tickets to the Commission or to an IGT representative on or before the date the suspension begins. It further agrees that these active tickets will settle on the date the suspension begins, and Lucky Spot will be charged for tickets sold on or before that date. Lucky Spot 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:

Lucky Spots Ventures LLC  
d/b/a Lucky Spot

Texas Lottery Commission  
Lottery Operations Division

By:



02.07.22

Shoaib Ali  
Managing Member

DATE

By:



2/8/2022

Ryan S. Mindell  
Director

DATE

**Commission Order No. 22-0024**

**Date: APRIL 6, 2022**

**Case No. 2022-69**

<b>IN THE MATTER OF</b>	§	<b>BEFORE THE TEXAS</b>
	§	
<b>LUCKY SPOTS VENTURES LLC</b>	§	
<b>D/B/A LUCKY SPOT</b>	§	
	§	
<b>TEXAS LOTTERY TICKET SALES</b>	§	
<b>AGENT LICENSE NO. 189091</b>	§	<b>LOTTERY COMMISSION</b>

**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 the Texas Lottery Ticket Sales Agent License of Lucky Spots Ventures LLC d/b/a Lucky Spot (Lucky Spot), 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, Lucky Spot 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, Lucky Spot 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 Lucky Spot's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 22-0024**

**Date: APRIL 6, 2022**

(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 Lucky Spot has failed to comply with the terms of this Order, disciplinary action shall be taken against Lucky Spot, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Lucky Spot 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 Lucky Spot will be charged for the tickets sold on or before that date. Lucky Spot 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. 22-0024**

**Date: APRIL 6, 2022**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



Commission Order No. 22-0025

Date: APRIL 6, 2022

Case No. 2022-70

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
TAMMY R. BAKER AND MAJID	§	
SADIGHI	§	
D/B/A SAGE FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 119393	§	LOTTERY COMMISSION

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Tammy R. Baker and Majid Sadighi d/b/a Sage Food Mart (Sage Food Mart) 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. Sage Food Mart holds Texas Lottery Ticket Sales Agent License No. 119393.
2. Majid Sadighi is a partner at Sage Food Mart, which is located at 5201 Richmond Ave., Houston, TX 77056.
3. On June 25, 2021, Mr. Sadighi claimed a \$1,000 Texas Lottery scratch ticket prize at the Houston Claim Center. Based on internal review, the Commission initiated an investigation into this claim.
4. On August 17, 2021, Mr. Sadighi admitted to a Commission investigator that he purchased the scratch ticket that he claimed as his own from a store customer. Mr. Sadighi now states instead that the ticket he claimed was his wife's ticket and that he made up the prior story that he purchased the scratch ticket from a store customer.

**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. Sage Food Mart 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 §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...  
(5) has violated this chapter or a rule adopted under this chapter.

4. 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.

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. 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.

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 from the Texas Lottery.

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

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Sage Food Mart 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. As a result of Sage Food Mart's violation of Tex. Gov't Code §§ 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33), 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, Sage Food Mart 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. Sage Food Mart disputes that it violated Tex. Gov't Code §§ 466.310(a) and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(33), 401.360, and 401.366, but in the interest of settling this matter agrees to the terms herein.

5. During the entire period of suspension hereunder, Sage Food Mart 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 Sage Food Mart's Ticket Sales Agent License is posted.

6. Sage Food Mart 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 Sage Food Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

7. Sage Food Mart 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.

8. Sage Food Mart 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 Sage Food Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Sage Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

9. Sage Food Mart 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 Sage Food Mart will be charged for tickets sold on or before that date. Sage Food Mart 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:

Tammy R. Baker and Majid Sadighi  
d/b/a Sage Food Mart

Texas Lottery Commission  
Lottery Operations Division

By:

*Majid Sadighi*  
Majid Sadighi  
Partner

*2/7/22*  
DATE

By:

*Ryan Mindell*

2/8/2022

Ryan S. Mindell  
Director

DATE

**Commission Order No. 22-0025**

**Date: APRIL 6, 2022**

**Case No. 2022-70**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>TAMMY R. BAKER AND MAJID</b>	<b>§</b>	
<b>SADIGHI</b>	<b>§</b>	
<b>D/B/A SAGE FOOD MART</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 119393</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**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 the Texas Lottery Ticket Sales Agent License of Tammy R. Baker and Majid Sadighi d/b/a Sage Food Mart (Sage Food Mart), 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, Sage Food Mart 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, Sage Food Mart 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 Sage Food Mart's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 22-0025**

**Date: APRIL 6, 2022**

(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 Sage Food Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Sage Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Sage Food Mart 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 Sage Food Mart will be charged for the tickets sold on or before that date. Sage Food Mart 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. 22-0025**

**Date: APRIL 6, 2022**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

---

JAMES H. C. STEEN, COMMISSIONER



Commission Order No. 22-0026

Date: APRIL 6, 2022

Case No. 2022-72

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
SIDDHIBINAYAK ENTERPRISES INC.	§	
D/B/A TAYLOR FOOD MART	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 181275	§	LOTTERY COMMISSION

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Siddhibinayak Enterprises Inc. d/b/a Taylor Food Mart (Taylor Food Mart) 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. Taylor Food Mart holds Texas Lottery Ticket Sales Agent License No. 181275.
2. Prem Pathak is the president of Taylor Food Mart, which is located at 5376 U.S. Hwy. 67, Stephenville, TX 76401.
3. On June 25, 2021, Mr. Pathak claimed a \$1,000 Texas Lottery scratch ticket prize at the Abilene Claim Center. Based on internal review, the Commission initiated an investigation into this claim.
4. On July 30, 2021, Mr. Pathak admitted to a Commission investigator that he purchased the scratch ticket from a store customer.

**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. Taylor Food Mart 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 §466.155(a) states, in pertinent part:

After a hearing, the director shall deny an application for a license or the commission shall suspend or revoke a license if the director or commission, as applicable, finds that the applicant or sales agent:

...

(5) has violated this chapter or a rule adopted under this chapter.

4. Tex. Gov't Code §466.308(a) states:

A person commits an offense if the person intentionally or knowingly:

(1) claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or

(2) aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation.

5. 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.

6. 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.

7. 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:

...

(31) licensee intentionally or knowingly claims a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation; or aids or agrees to aid another person or persons to claim a lottery prize or a share of a lottery prize by means of fraud, deceit, or misrepresentation.

...  
(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.

8. 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.

9. 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 from the Texas Lottery.

10. The Texas Lottery Ticket Sales Agent License of Taylor Food Mart is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Taylor Food Mart's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 401.360, and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Taylor Food Mart 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. As a result of Taylor Food Mart's violation of Tex. Gov't Code §§ 466.308(a), 466.310(a), and 466.402(b) and 16 Tex. Admin. Code §§ 401.158(b)(31) and (33), 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, Taylor Food Mart 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, Taylor Food Mart 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 Taylor Food Mart's Ticket Sales Agent License is posted.

5. Taylor Food Mart 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 Taylor Food Mart's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Taylor Food Mart 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. Taylor Food Mart 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 Taylor Food

Mart has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Taylor Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Taylor Food Mart 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 Taylor Food Mart will be charged for tickets sold on or before that date. Taylor Food Mart 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.

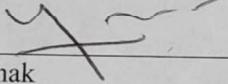
AGREED AS TO FORM AND SUBSTANCE:

Siddhibinayak Enterprises Inc.  
d/b/a Taylor Food Mart

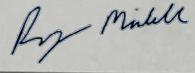
Texas Lottery Commission  
Lottery Operations Division

By:

By:

  
Prem Pathak  
President

02/24/2022  
DATE

  
Ryan S. Mindell  
Director

2/28/2022

DATE

**Commission Order No. 22-0026**

**Date: APRIL 6, 2022**

**Case No. 2022-72**

<b>IN THE MATTER OF</b>	§	<b>BEFORE THE TEXAS</b>
	§	
<b>SIDDHIBINAYAK ENTERPRISES INC.</b>	§	
<b>D/B/A TAYLOR FOOD MART</b>	§	
	§	
<b>TEXAS LOTTERY TICKET SALES</b>	§	
<b>AGENT LICENSE NO. 181275</b>	§	<b>LOTTERY COMMISSION</b>

**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 the Texas Lottery Ticket Sales Agent License of Siddhibinayak Enterprises Inc. d/b/a Taylor Food Mart (Taylor Food Mart), 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, Taylor Food Mart 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, Taylor Food Mart 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 Taylor Food Mart's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 22-0026**

**Date: APRIL 6, 2022**

(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 Taylor Food Mart has failed to comply with the terms of this Order, disciplinary action shall be taken against Taylor Food Mart, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that Taylor Food Mart 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 Taylor Food Mart will be charged for the tickets sold on or before that date. Taylor Food Mart 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. 22-0026**

**Date: APRIL 6, 2022**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 22-0027**

**Date: APRIL 6, 2022**

**Case No. 2021-840**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
	<b>§</b>	
<b>AMERICAN LEGION POST 83</b>	<b>§</b>	
<b>TAXPAYER NO. 17413976576</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Charitable Bingo Operations Division (Division) of the Texas Lottery Commission (Commission) and American Legion Post 83 make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into the following Consent Order.

**AGREED FINDINGS OF FACT**

1. American Legion Post 83 is licensed by the Division as a bingo conductor under taxpayer number 17413976576.
2. The Division conducted a compliance audit of American Legion Post 83 for the period from October 1, 2018 through June 30, 2020 to determine whether charitable distributions were accurately reported, used for authorized purposes, and properly documented. The review concluded the following:
  - a. American Legion Post 83 failed to report or properly report items to the Commission on a quarterly report, in accordance with Tex. Occ. Code §2001.505(a) and 16 Tex. Admin. Code §402.600(d)(1). Specifically, American Legion Post 83 reported \$16,000 as total distributions on their quarterly report for the first quarter of 2019 (from January 1 through March 31), but only transferred \$11,410 to its general fund account.

b. American Legion Post 83 failed to properly maintain records to substantiate the use of proceeds for charitable purposes, in accordance with 16 Tex. Admin. Code §§ 402.501(d) and 402.502(c). Specifically, American Legion Post 83 did not maintain complete documentation to support their charitable distributions, resulting in disallowed charitable distributions totaling \$97,614.

### **AGREED CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this matter pursuant to Tex. Occ. Code ch. 2001 (Bingo Enabling Act), Tex. Gov't Code ch. 467, and 16 Tex. Admin. Code ch. 402 (Charitable Bingo rules).

2. American Legion Post 83 is obligated to follow the provisions of the Bingo Enabling and Act and the Charitable Bingo rules to maintain its conductor license.

3. Tex. Occ. Code §2001.353(a) states:

After a hearing, the commission may suspend, revoke, or refuse to renew a license or registration issued under this chapter for:

- (1) failure to comply with this chapter or a commission rule; or
- (2) a reason that would allow or require the commission to refuse to issue or renew a license or registration of the same class.

4. Tex. Occ. Code §2001.505(a) states:

A licensed authorized organization conducting bingo shall submit quarterly to the commission a report under oath stating:

- (1) the amount of the gross receipts derived from bingo;
- (2) each item of expense incurred or paid;
- (3) each item of expenditure made or to be made, the name and address of each person to whom each item has been paid or is to be paid, and a detailed description of the merchandise purchased or the services rendered;
- (4) the net proceeds derived from bingo;
- (5) the use to which the proceeds have been or are to be applied; and
- (6) a list of prizes offered and given, with their respective values.

5. Tex. Occ. Code §2001.554(a) states, in pertinent part:

A person commits an offense and the person's license is subject to revocation under this chapter if the person:

...

(2) fails to maintain records that fully and accurately record each transaction connected with the conduct of bingo;

...

(5) violates this chapter or a term of a license issued under this chapter.

6. Tex. Occ. Code §2001.601 states:

The commission may impose an administrative penalty against a person who violates this chapter or a rule or order adopted by the commission under this chapter.

7. Tex. Occ. Code §2001.602(a) states:

The amount of the administrative penalty may not exceed \$1,000 for each violation. Each day a violation continues or occurs may be considered a separate violation for purposes of imposing a penalty.

8. 16 Tex. Admin. Code §402.501(d) states:

Proceeds will not be considered as used for the charitable purposes of the organization without documentation to substantiate the use of proceeds.

9. 16 Tex. Admin. Code §402.502 states, in pertinent part:

...

(b) The Commission may request supplemental information from an organization in order to substantiate compliance with the Bingo Enabling Act, §2001.454.

(c) Record Keeping:

(1) In accordance with the Bingo Enabling Act, the licensed authorized organization must have documentation for all proceeds used for charitable purposes to substantiate the use of the funds for purposes consistent with the exempt purposes of the licensed authorized organization.

(2) All distributions for charitable purposes must be made from the bingo checking account. A distribution made from the bingo checking account into another account maintained by the organization must be substantiated with documentation and used for a cause, deed, or activity dedicated to the charitable purposes of the organization consistent with the 26 U.S.C. §501 tax exemption of the organization or the purposes or objective for which the organization qualifies as an authorized organization.

...

(4) A licensed authorized organization must maintain bank statements, cancelled checks and deposits slips or images of them, and bank reconciliations

for all accounts to which it deposits charitable distributions from the proceeds of bingo.

(5) A licensed authorized organization must maintain documentation for all charitable distributions made to individuals or other organizations. These may, but are not required to include:

(A) the complete name, address, phone number, and contact person for the individual or organization receiving the donation; and

(B) an invoice, receipt, thank you note, or other written acknowledgement of the distribution including the date and amount of the donation.

(6) A licensed authorized organization must maintain documentation for all charitable distributions used for its exempt purposes. Documentation may, but is not required to include:

(A) invoices, receipts, or other proof of payment for actual expenses incurred for these purposes; and

(B) calendars, floor plans, or other information used to pro-rate any expenses where only a portion of the expense is considered a legitimate exempt use of charitable distributions.

(7) A licensed authorized organization must maintain documentation for all charitable distributions as to how the use of the funds relates to the cause, deed, or activity dedicated to the charitable purposes of the organization consistent with the 26 U.S.C. §501 tax exemption of the organization or the purposes or objective for which the organization qualifies as an authorized organization.

...

(10) A licensed authorized organization must maintain for four years records to substantiate the use of net proceeds.

....

10. 16 Tex. Admin. Code §402.600(d)(1) states:

An authorized organization holding an annual license, temporary license, or a temporary authorization to conduct bingo must file on a form prescribed by the Commission or in an electronic format prescribed by the Commission a quarterly report for financial and statistical information relating to the conduct of bingo. The report and supplements must be filed with the Commission on or before the 25th day of the month following the end of the calendar quarter even if there were no games conducted during that quarter. Failure to file a required report or supplement by the due date may result in an administrative penalty.

11. American Legion Post 83's conductor license is subject to suspension or revocation pursuant to Tex. Occ. Code §2001.554(a), as a result of American Legion Post 83's violations of Tex. Occ. Code §§ 2001.505(a) and 16 Tex. Admin. Code §§ 402.501(d), 402.502(b)-(c) and 402.600(d)(1).

## MEMORANDUM OF AGREEMENT

1. By signing this Memorandum of Agreement, American Legion Post 83 agrees to its terms, acknowledges understanding them, and waives all rights to procedural requirements for the entry of the Consent Order (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 the Order is signed by the Commission.

3. American Legion Post 83 agrees to pay a \$100 administrative penalty within thirty (30) days following the effective date of the Order.

4. American Legion Post 83 agrees to re-deposit \$97,614 into American Legion Post 83's bingo bank account within six (6) months following the effective date of the Order.

5. American Legion Post 83 acknowledges and agrees that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against it by the Commission. This Memorandum of Agreement and Consent Order shall not, however, form the basis for, nor be used as, evidence against American Legion Post 83 in any future renewal applications absent other alleged violations.

6. American Legion Post 83 agrees that if, after a formal hearing on the sole issue of compliance with this Memorandum of Agreement and Consent Order, it is found that American Legion Post 83 has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against American Legion Post 83, up to and including revocation of its conductor's license.

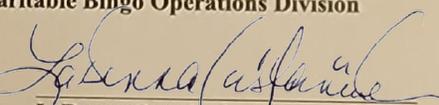
AGREED AS TO FORM AND SUBSTANCE:

**American Legion Post 83**

By:   
James Overstreet, Chairperson

Date: 4 MAR 22

**Texas Lottery Commission  
Charitable Bingo Operations Division**

By:   
LaDonna Castañuela, Director

Date: 03/23/2022

**Commission Order No. 22-0027**

**Date: APRIL 6, 2022**

**Case No. 2021-840**

**IN THE MATTER OF**

§  
§  
§  
§  
§

**BEFORE THE TEXAS**

**AMERICAN LEGION POST 83  
TAXPAYER NO. 17413976576**

**LOTTERY COMMISSION**

**CONSENT ORDER**

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Agreed 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 American Legion Post 83 shall pay \$100 as an administrative penalty within thirty (30) days following the date this Consent Order is signed by the Commission.

(2) IT IS FURTHER ORDERED by the Commission that American Legion Post 83 shall re-deposit \$97,614 into American Legion Post 83's bingo bank account within six (6) months of the date this Consent Order is signed by the Commission.

(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 American Legion Post 83 has failed to comply with the terms of this Consent Order, the Commission may seek any and all authorized remedies, including revocation of its conductor's license.

**Commission Order No. 22-0027**

**Date: APRIL 6, 2022**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 22-0028**

**Date: APRIL 6, 2022**

**Case Nos. 2022-58, 2022-59, 2022-60,  
2022-61, 2022-62, and 2022-74**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>TG 302 INC., TG 105 INC., BOYS CLUB</b>	<b>§</b>	
<b>OF PHARR INC., SAN JUAN NURSING</b>	<b>§</b>	
<b>HOME INC., PHARR LITERACY</b>	<b>§</b>	
<b>PROJECT INC., AND</b>	<b>§</b>	
<b>BINGO RANCH 2 LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Charitable Bingo Operations Division (Division) of the Texas Lottery Commission (Commission) and TG 302 Inc., TG 105 Inc., Boys Club of Pharr Inc., San Juan Nursing Home Inc., and Pharr Literacy Project Inc. (collectively, Organizations), and Bingo Ranch 2 LLC (Lessor) make the following Agreed Findings of Fact, Agreed Conclusions of Law, and Memorandum of Agreement, and enter into the following Consent Order.

**AGREED FINDINGS OF FACT**

1. The Organizations are the members of Bingo Ranch Conway Unit (Unit), a bingo accounting unit subject to Tex. Occ. Code §§ 2001.431–.439 (Unit Accounting). Each Organization is licensed by the Commission to conduct bingo under the following taxpayer numbers: TG 302 Inc. – 17429396652, TG 105 Inc. – 17426994772, Boys Club of Pharr Inc. – 17522585136, San Juan Nursing Home Inc. – 17415523970, and Pharr Literacy Project Inc. – 12056469831.

2. The Organizations conduct bingo at The Bingo Ranch Conway hall located at 4721 N. Conway Ave., Mission, TX 78573.

3. The Lessor is licensed by the Commission as a commercial lessor to lease bingo premises under Taxpayer No. 14717266713. The Lessor is not affiliated with the Unit.

BINGO RANCH CONWAY UNIT

4. The Division conducted a compliance audit of the Unit and its members for the third quarter of 2020 (July 1 through September 30). Based on information gathered during the audit, the Division determined that the Unit failed to notify the Commission of a transfer of funds from its general fund or other account to the Unit's bingo bank account, within fourteen (14) calendar days after the date the funds were transferred. Specifically, the Unit received a \$12,000 loan from the Lessor to pay cash prizes for bingo occasions when the Organizations did not generate sufficient revenue. However, the Unit did not complete Charitable Bingo Operations Division FORMID 14, Transfer of Funds to Bingo Account, within fourteen (14) days of the transfer to properly account for funds transferred to the Unit's bingo account.

BINGO RANCH 2 LLC

5. The Division determined that the Lessor loaned \$12,000 to the Unit to pay cash prizes for bingo occasions when the Organizations did not generate sufficient revenue until such time as the Unit had sufficient proceeds to repay the loan.

**AGREED CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this matter pursuant to Tex. Occ. Code ch. 2001 (Bingo Enabling Act), Tex. Gov't Code ch. 467, and 16 Tex. Admin. Code ch. 402 (Charitable Bingo rules).

2. The Organizations and Lessor are obligated to follow the provisions of the Bingo Enabling Act and the Charitable Bingo rules to maintain their respective licenses.

3. Tex. Occ. Code §2001.154(a) states, in pertinent part:  
  
The commission may not issue a commercial lessor license to or renew a commercial license of:  
  
...  
(3) a person who loans money to an authorized organization.
4. Tex. Occ. Code §2001.159(a) states, in pertinent part:  
  
The commission shall issue or renew a commercial lessor license if the commission determines that:  
  
...  
(6) the applicant will lease the premises for the conduct of bingo in accordance with this chapter.
5. Tex. Occ. Code §2001.353(a) states:  
  
After a hearing, the commission may suspend, revoke, or refuse to renew a license or registration issued under this chapter for:  
  
(1) failure to comply with this chapter or a commission rule; or  
(2) a reason that would allow or require the commission to refuse to issue or renew a license or registration of the same class.
6. Tex. Occ. Code §2001.451(c) states, in pertinent part:  
  
A licensed authorized organization may transfer money from its general fund or other account to the organization's bingo account or to the bingo account of a unit of which the organization is a member under Subchapter I-1, if applicable, if:  
  
...  
(2) the organization notifies the commission of the transfer not later than the 14th day after the date of the transfer.
7. Tex. Occ. Code §2001.554(a) states, in pertinent part:  
  
A person commits an offense and the person's license is subject to revocation under this chapter if the person:  
  
...  
(5) violates this chapter or a term of a license issued under this chapter.
8. Tex. Occ. Code §2001.601 states:  
  
The commission may impose an administrative penalty against a person who violates this chapter or a rule or order adopted by the commission under this chapter.

9. Tex. Occ. Code §2001.602(a) states:

The amount of the administrative penalty may not exceed \$1,000 for each violation. Each day a violation continues or occurs may be considered a separate violation for purposes of imposing a penalty.

10. 16 Tex. Admin. Code §402.202(b) states:

...

(b) Notification of the transfer of funds into the bingo account or bingo unit account must be submitted on a form prescribed by the Commission. To be timely submitted, the notification's postmark date, date of delivery for common carrier, date of e-mail, or date of facsimile must clearly show a date that is no later than 14 calendar days after the date the funds were transferred.

may be used for authorized expenses but will not be used to determine if the organization's bingo operation resulted in net proceeds over its license period.

11. 16 Tex. Admin. Code §402.403(b)(4) states:

The commission may not issue a commercial lessor license to or renew the license of a person who has loaned money to an authorized organization. A loan shall include a commercial lessor's collection or acceptance of any rental payments from any accounting unit or any authorized organization more than 120 days from the date of the occasion for which the rent is attributed. This subsection is intended to prohibit a lessor from loaning money to a unit or organization by deferring their debts for more than 120 days to allow the unit or organization to demonstrate higher net proceeds than they could demonstrate if they had paid the debt. If debts are not collected within 120 days, the lessor may forgive the debt or pursue collection through a formal legal process. This rule does not apply to any payments collected or accepted by the lessor pursuant to a court order.

12. Each Organization's license to conduct bingo is subject to suspension or revocation pursuant to Tex. Occ. Code §2001.554(a), because of the Unit's violations of Tex. Occ. Code §2001.451(c)(2) and 16 Tex. Admin. Code §402.202(b).

13. The Lessor's license is subject to suspension or revocation pursuant to Tex. Occ. Code §2001.554(a), because of the Lessor's violations of Tex. Occ. Code §2001.154(a)(3) and 16 Tex. Admin. Code §402.403(b)(4).

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, the Organizations and Lessor agree to its terms, acknowledge understanding them, and waive all rights to procedural requirements for

the entry of the Consent Order (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 the Order is signed by the Commission.

3. The Organizations agree to accept a warning violation determination.

4. The Lessor agrees to pay \$500 as an administrative penalty within thirty (30) days following the effective date of the Order.

5. The Lessor agrees to forgive the \$12,000 loan that otherwise would be owed by the Unit.

6. The Lessor further agrees to not attempt to collect at any point in the future the forgiven loan and to provide loan forgiveness letters to the Organizations, with copies provided to the Division within thirty (30) days following the effective date of the Order.

7. The Organizations and Lessor agree that this Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and Agreed Conclusions of Law contained herein, may be admitted in any future administrative action initiated against any of them by the Commission. This Memorandum of Agreement and Consent Order, and the Agreed Findings of Fact and Agreed Conclusions of Law, shall not, however, form the basis for, nor be used as, evidence against the Organizations and/or Lessor in any future license renewal applications, absent other alleged violations.

8. The Organizations and Lessor agree that if, after a formal hearing on the sole issue of compliance with this Memorandum of Agreement and Consent Order, it is found that the Organizations and/or Lessor have failed to comply with the terms of this Memorandum of Agreement and Consent Order, disciplinary action shall be taken against the Organizations and/or

Lessor, up to and including revocation of their respective licenses.

AGREED AS TO FORM AND SUBSTANCE:

**TG 302 Inc.**

By:   
Gilbert Piette, Bingo Chairperson

Date: Mar 22, 2022

**TG 105 Inc.**

By:   
Gilbert Piette, Bingo Chairperson

Date: Mar 22, 2022

**Boys Club of Pharr Inc.**

By:   
Alfredo Mata, Jr., Bingo Chairperson

Date: Mar 23, 2022

**San Juan Nursing Home Inc.**

By:   
Jaime J. Munoz (Mar 22, 2022 13:51 CDT)  
Jaime Munoz, Bingo Chairperson

Date: Mar 22, 2022

**Pharr Literacy Project Inc.**

By:   
Ana Vasquez (Mar 23, 2022 15:53 CDT)  
Ana Vasquez, Bingo Chairperson

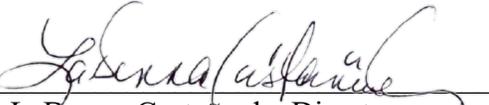
Date: Mar 23, 2022

**Bingo Ranch 2 LLC**

By:   
Nigel Carter (Mar 22, 2022 13:02 CDT)  
Nigel Carter, Business Contact

Date: Mar 22, 2022

**Texas Lottery Commission  
Charitable Bingo Operations Division**

By:   
LaDonna Castañuela, Director

Date: 03/24/2022

**Commission Order No. 22-0028**

**Date: APRIL 6, 2022**

**Case Nos. 2022-58, 2022-59, 2022-60,  
2022-61, 2022-62, and 2022-74**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
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<b>TG 302 INC., TG 105 INC., BOYS CLUB</b>	<b>§</b>	
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<b>HOME INC., PHARR LITERACY</b>	<b>§</b>	
<b>PROJECT INC., AND</b>	<b>§</b>	
<b>BINGO RANCH 2 LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**CONSENT ORDER**

NOW, THEREFORE, IT IS ORDERED by the Texas Lottery Commission (Commission), based on the above Agreed Findings of Fact, Agreed 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 TG 302 Inc., TG 105 Inc., Boys Club of Pharr Inc., San Juan Nursing Home Inc., and Pharr Literacy Project Inc. (collectively, Organizations) shall receive a warning violation determination.

(2) IT IS FURTHER ORDERED by the Commission that Bingo Ranch 2 LLC (Lessor) shall pay \$500 as an administrative penalty within thirty (30) days following the date this Consent Order is signed by the Commission.

(3) IT IS FURTHER ORDERED by the Commission that the Lessor shall forgive the \$12,000 loan that otherwise would be owed by the Unit.

(4) IT IS FURTHER ORDERED by the Commission that the Lessor shall not attempt to collect the forgiven loan at any point in the future and to provide loan forgiveness letters to the Organizations, with copies provided to the Division within thirty (30) days following the date this

**Commission Order No. 22-0028**

**Date: APRIL 6, 2022**

Consent Order is signed by the Commission.

(5) 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 Organizations and/or Lessor have failed to comply with the terms of this Order, the Commission may seek any and all authorized remedies, including revocation of their respective licenses.

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 6<sup>TH</sup> day of APRIL, 2022.

Entered this 6<sup>TH</sup> day of APRIL, 2022.

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ROBERT G. RIVERA, CHAIRMAN

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CINDY FIELDS, COMMISSIONER

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MARK A. FRANZ, COMMISSIONER

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ERIK C. SAENZ, COMMISSIONER

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JAMES H. C. STEEN, COMMISSIONER