





# INTEROFFICE MEMO

*Sergio Rey, Acting Deputy Executive Director   LaDonna Castañuela, Charitable Bingo Operations Director*

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

**From:** Bob Biard, General Counsel

A handwritten signature in blue ink, appearing to be "RJB", is written next to the name Bob Biard.

**Date:** April 29, 2025

**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 29, 2025

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 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).

**Date: APRIL 29, 2025**

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. 25-0039**

**Date: APRIL 29, 2025**

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 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER

**Date: APRIL 29, 2025****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.	362-25-06715	Ball Convenience Inc. d/b/a Ball Food Store	3702 Ball St. Galveston, TX 77550	183583
B.	362-25-06773	Vantic Solutions LLC d/b/a Vantic Solutions LLC	15605 Woodforest Blvd., Ste. 101 Channelview, TX 77530	194529
C.	362-25-07611	Kanjo Mzy Inc. d/b/a Ultimate Stop	111 Ashburne Glen Ln. Ovilla, TX 75154	188653
D.	362-25-08087	Prometheus Business Enterprises Inc. d/b/a Friendly's # 3	13321 State Hwy. 198 Payne Springs, TX 75156	155966
E.	362-25-08088	Yanira Enterprises LLC d/b/a Yanira Enterprises LLC	1135 Central Fwy., Ste. A Wichita Falls, TX 76306	189737
F.	362-25-08090	Simu Enterprises LLC d/b/a Vidor Superette	5645 N. Main St. Vidor, TX 77662	193200
G.	362-25-08092	Eagle Mart Enterprises Inc. d/b/a Eagle Mart Enterprises Inc.	303 Longmire Rd., Ste. 601 Conroe, TX 77304	607836
H.	362-25-09033	H & J Food Mart Inc. d/b/a H & J Food Mart Inc.	1110 N. Sam Houston Pkw. W. Houston, TX 77038	196248
I.	362-25-09800	Robert V. Gamboa d/b/a Coyanosa Food Center	P.O. Box 5 Coyanosa, TX 79730	181343
J.	362-25-10512	Mykawa Enterprise Inc. d/b/a Crown Mart	6402 Mykawa Rd. Houston, TX 77033	136933
K.	362-25-10896	KDN Business Inc. d/b/a Time Express	6815 Jensen Dr. Houston, TX 77093	190771

**Commission Order No. 25-0039**

**Date: APRIL 29, 2025**

L.	362-25-11433	Aysar Group Inc. d/b/a World Star	4244 Wilbarger St. Fort Worth, TX 76119	187084
M.	362-25-11804	Cairo Time LLC d/b/a Cairo Time	6588 Corporate Dr., Ste. 210 Houston, TX 77084	187319
N.	362-25-12514	786 KNJ 2009 Inc. d/b/a KNJ Beverage	3211 Fort Worth Dr. Denton, TX 76205	154175



**SOAH Docket No. 362-25-06715**

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

FILED  
362-25-06715  
1/9/2025 11:23 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Carol Hale, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
BALL CONVENIENCE INC DBA BALL FOOD STORE,  
RESPONDENT**

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ACCEPTED  
362-25-06715  
1/9/2025 11:25:15 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Carol Hale, CLERK

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**DEFAULT DISMISSAL ORDER**

On January 9, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Ball Convenience, Inc. d/b/a Ball Food Store (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted, and the ALJ takes official notice of SOAH's file in this case, including specifically Order Upholding Summary Suspension which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed proof of adequate notice to

Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **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, 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 9, 2025**

ALJ Signature:



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Dee Marlo Chico

Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-25-06773  
1/9/2025 11:27 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jessica Rodriguez, CLERK

**SOAH Docket No. 362-25-06773**

ACCEPTED  
362-25-06773  
1/9/2025 11:30:39 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Jessica Rodriguez, CLERK

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
VANTIC SOLDTIONS LLC FBA VANTIC SOLDTIONS LLC,  
RESPONDENT**

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**F EUADLT F ISMISSAL ORFER**

On January 9, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Vantic Solutions LLC d/b/a Vantic Solutions LLC (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted, and the ALJ takes official notice of SOAH's file in this case, including specifically Order Upholding Summary Suspension which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed proof of adequate notice to

Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **1 GANRTD**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

GeEs opnept d na yfie md otfof to Fet nHne tl e neynhit u ftl fp w5 nna Eoytl e nnte oy tl fEorner.<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, 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>

**Sfgpen JANUAGY 9, 2025**

ALJ Signature:



Dee Marlo Chico

Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-25-07611  
1/21/2025 12:45 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-25-07611  
1/21/2025 12:48:10 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-25-07611**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
KANJO MZY INC D/B/A ULTIMATE STOP,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

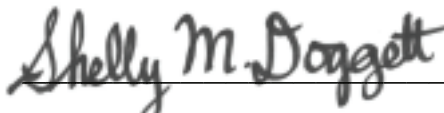
On January 16, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Kanjo Mzy Inc d/b/a Ultimate Stop (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted, and the ALJ took official notice of SOAH's file in this case, including specifically Staff's Notice of Hearing and the Order Upholding Summary Suspension which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed 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 the 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 21, 2025**

ALJ Signature:

A handwritten signature in dark ink, reading "Shelly M. Doggett", is written over a horizontal line.

Shelly M. Doggett

Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).





FILED  
362-25-08087  
1/23/2025 3:35 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

SOAH Docket No. 362-25-08087

Suffix: TLC

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# BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

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TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
PROMETHEUS BUSINESS ENTERPRISES INC DBA  
FRIENDLY'S NO. 3,  
RESPONDENT

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## DEFAULT DISMISSAL ORDER

On January 23, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Prometheus Business Enterprises Inc. d/b/a Friendly's No. 3 (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 was

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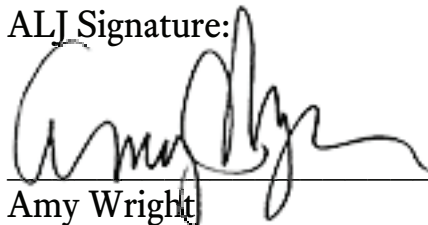
<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

**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, 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 23, 2025.**

ALJ Signature:

A handwritten signature in black ink, appearing to read 'Amy Wright', is written over a horizontal line.

Amy Wright  
Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**SOAH Docket No. 362-25-08088**

**Suffix: TLC**

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-08088  
1/23/2025 3:41:09 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-08088  
1/23/2025 3:33 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
YANIRA ENTERPRISES LLC D/B/A YANIRA ENTERPRISES  
LLC,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On January 23, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Yanira Enterprises LLC d/b/a Yanira Enterprises 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 was

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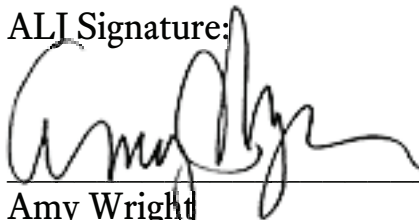
<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

**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, 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 23, 2025.**

ALJ Signature:

A handwritten signature in black ink, appearing to read 'Amy Wright', is written over a horizontal line.

Amy Wright

Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**SOAH Docket No. 362-25-08090**

**Suffix: TLC**

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-08090  
1/23/2025 4:08:06 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-08090  
1/23/2025 4:06 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
SIMU ENTERPRISES LLC D/B/A VIDOR SUPERETTE,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On January 23, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Simu Enterprises LLC d/b/a Vidor Superette (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 was **GRANTED**, and

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

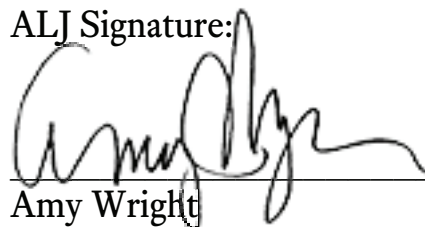


the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**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, 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 23, 2025.**

ALJ Signature:

A handwritten signature in black ink, appearing to read 'Amy Wright', is written over a horizontal line.

Amy Wright  
Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**SOAH Docket No. 362-25-08092**

**Suffix: TLC**

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-08092  
1/23/2025 3:36:49 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-08092  
1/23/2025 3:32 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
EAGLE MART ENTERPRISES INC D/B/A EAGLE MART  
ENTERPRISES INC,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On January 23, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Eagle Mart Enterprises Inc d/b/a Eagle Mart Enterprises Inc (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 was

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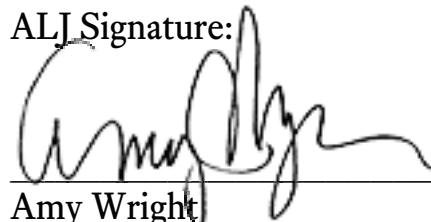
<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

**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, 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 23, 2025.**

ALJ Signature:

A handwritten signature in black ink, appearing to read 'Amy Wright', is written over a horizontal line.

Amy Wright  
Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-25-09033  
2/14/2025 2:00 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-25-09033  
2/14/2025 2:13:31 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-25-09033**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
H AND J FOOD MART INC DBA H AND J FOOD MART INC,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

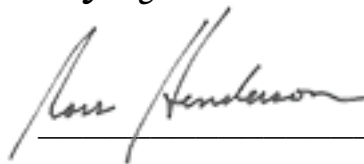
On February 13, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission. H AND J FOOD MART INC DBA H AND J FOOD MART INC (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted, and the ALJ took official notice of SOAH's file in this case, including specifically SOAH's January 3, 2025 Order which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed proof of adequate notice to

Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **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, 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 14, 2025.**

ALJ Signature:

A handwritten signature in black ink, appearing to read "Ross Henderson", written over a horizontal line.

Ross Henderson

Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).





FILED  
362-25-09800  
2/26/2025 8:07 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

SOAH Docket No. 362-25-09800

Suffix: TLC

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# BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

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TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
ROBERT V. GAMBOA D/B/A COYANOSA FOOD CENTER,  
RESPONDENT

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## DEFAULT DISMISSAL ORDER

On February 20, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission (Commission). Robert V. Gamboa d/b/a Coyanosa Food Center (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted and demonstrated adequate notice to Respondent.<sup>1</sup> Thereafter, Staff moved for a default dismissal. Staff's motion was **GRANTED**,

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

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, 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 26, 2025.**



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Heather D. Hunziker

Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-25-10512  
2/28/2025 2:15 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie , CLERK

**SOAH Docket No. 362-25-10512**

**Suffix: TLC**

ACCEPTED  
362-25-10512  
2/28/2025 2:18:17 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Tippie , CLERK

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
MYKAWA ENTERPRISE INC DBA CROWN MART,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On February 27, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Kyle Wolfe appeared on behalf of the staff (Staff) of the Texas Lottery Commission (Commission). Mykawa Enterprises Inc. d/b/a Crown Mart (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted, and the ALJ took official notice of SOAH's file in this case, including specifically the January 29, 2025 Notice of Hearing, which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders showed proof of adequate notice to

Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **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, 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 28, 2025.**

ALJ Signature:



Megan Johnson

Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



FILED  
362-25-10896  
3/6/2025 11:35 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

ACCEPTED  
362-25-10896  
3/6/2025 11:40:12 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Amy Robles, CLERK

**SOAH Docket No. 362-25-10896**

**Suffix: TLC**

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# **BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
KDN BUSINESS, INC DBA TIME EXPRESS,  
RESPONDENT**

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## **DEFAULT DISMISSAL ORDER**

On March 6, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. KDN Business, Inc. d/b/a Time Express (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted, and the ALJ took official notice of SOAH's file in this case, including specifically Order Upholding Summary Suspension which set the hearing by Zoom videoconference and provided instructions for participating in the hearing. Collectively, these exhibits and orders

showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to Texas Lottery Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed MARCH 6, 2025.**

ALJ Signature:



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Michelle Kallas  
Presiding Administrative Law Judge

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

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).





SOAH Docket No. 362-25-11433

Suffix: TLC

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-11433  
3/27/2025 12:30:11 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-11433  
3/27/2025 12:24 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
AYSAR GROUP INC. DBA WORLD STAR,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On March 27, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Aysar Group d/b/a World Star (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted, and the ALJ took official notice of SOAH's file in this case. These exhibits and orders showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **GRANTED**, and the factual allegations

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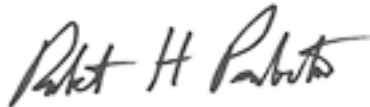
<sup>1</sup> 1 Tex. Admin. Code § 155.501(b).

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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Texas Lottery Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed MARCH 27, 2025**

ALJ Signature:



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Robert Pemberton

Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



SOAH Docket No. 362-25-11804

Suffix: TLC

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-11804  
3/21/2025 12:04:09 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-11804  
3/21/2025 11:30 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
CAIRO TIME LLC DBA CAIRO TIME,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On March 20, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. Cairo Time LLC d/b/a Cairo Time (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1-3 were admitted and showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was **GRANTED**, and the factual allegations

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

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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed March 21, 2025**

  
\_\_\_\_\_  
AMY DAVIS  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**SOAH Docket No. 362-25-12514**

**Suffix: TLC**

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**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

ACCEPTED  
362-25-12514  
3/27/2025 12:31:19 pm  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-12514  
3/27/2025 12:28 PM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
V.  
786 KNJ 2009 INC DBA KNJ BEVERAGE,  
RESPONDENT**

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**DEFAULT DISMISSAL ORDER**

On March 27, 2025, the Administrative Law Judge (ALJ) convened a hearing on the merits in this matter via Zoom videoconference. Attorney Tyler Vance appeared on behalf of the staff (Staff) of the Texas Lottery Commission. 786 KNJ 2009 Inc. d/b/a KNJ Beverage (Respondent) did not appear and was not represented at the hearing. Staff Exhibits 1, 2, and 3 were admitted into evidence, and the ALJ took official notice of SOAH's file in this case. These exhibits and orders showed proof of adequate notice to Respondent.<sup>1</sup> Upon establishing adequate notice, Staff moved for a default dismissal. Staff's motion was

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

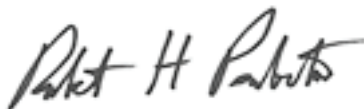


**GRANTED**, and the factual allegations detailed in the Notice of Hearing and the documents incorporated within that notice are deemed admitted.<sup>2</sup>

**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, or if the ALJ finds that a filed motion should be denied, the contested case will be remanded to the Texas Lottery Commission for informal disposition on a default basis in accordance with the Administrative Procedure Act.<sup>4</sup>

**Signed MARCH 27, 2025**

ALJ Signature:



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Robert Pemberton

Presiding Administrative Law Judge

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

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

<sup>4</sup> Tex. Gov't Code §§ 2001.056, .058(d-1).



**Commission Order No. 25-0040**

**Date: APRIL 29, 2025**

**Case No. 2025-107**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>LUCKY INVESTMENT GROUP LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A ACE SUPERMARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 190135</b>	<b>§</b>	

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Lucky Investment Group LLC d/b/a Ace Supermarket (Ace Supermarket) 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. Ace Supermarket holds Texas Lottery Ticket Sales Agent License No.190135.
2. Rahemtullah Ali is the managing member of Ace Supermarket, which is located at 200 S. McCarty Avenue, Eagle Lake, TX 77434.
3. On July 21, 2024, the Commission received a complaint that Ace Supermarket charged a fee for Texas Lottery ticket purchases. The Commission initiated an investigation into this complaint.
4. On August 14, 2024, a Commission investigator attempted to purchase a lottery ticket at Ace Supermarket. Gipson Fernandes, an Ace Supermarket employee, admitted to the Commission investigator that the store charged a fee for the purchase of 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. Ace Supermarket 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 §466.302(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.
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:

...

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

(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.
6. 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.

7. The Texas Lottery Ticket Sales Agent License of Ace Supermarket is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Ace Supermarket'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, Ace Supermarket agrees to these 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. Ace Supermarket 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 the Order is signed by the Commission. During the period of suspension, Ace Supermarket 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, Ace Supermarket 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 Ace Supermarket's Ticket Sales Agent License is posted.

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

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

8. Ace Supermarket 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 Ace Supermarket will be charged for tickets sold on or before that date. Ace Supermarket 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 Investment Group LLC  
d/b/a Ace Supermarket

Texas Lottery Commission  
Lottery Operations Division

By:



3/6/2025

Rahemtullah Ali  
Managing Member

DATE

By:



3/7/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0040**

**Date: APRIL 29, 2025**

**Case No. 2025-107**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>LUCKY INVESTMENT GROUP LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A ACE SUPERMARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 190135</b>	<b>§</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 Investment Group LLC d/b/a Ace Supermarket (Ace Supermarket), 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 (Order) is signed by the Commission. During the period of suspension, Ace Supermarket 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, Ace Supermarket 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 Ace Supermarket's Texas Lottery Ticket Sales Agent License is posted.



**Commission Order No. 25-0040**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that Ace Supermarket 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 Ace Supermarket will be charged for the tickets sold on or before that date. Ace Supermarket 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. 25-0040**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 25-0041**

**Date: APRIL 29, 2025**

**Case No. 2025-109**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>MOMIN INVESTMENTS INC.</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A CAMCO MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 191019</b>	<b>§</b>	

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Momin Investments Inc. d/b/a Camco Market (Camco Market) 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. Camco Market holds Texas Lottery Ticket Sales Agent License No. 191019.
2. Karim Momin is the president of Camco Market, which is located at 1912 S. Bagdad Rd., Leander, TX 78641.
3. On July 25, 2024, the Commission received a complaint that Camco Market charged a fee to purchase Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On August 7, 2024, Sam Ali, a Camco Market employee, admitted to a Commission investigator that the store charged a fee for the purchase of 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. Camco Market 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 §466.302(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.

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:

...

(22) licensee intentionally or knowingly sells a ticket at a price the licensee knows is greater than the price set by the executive director; [and]

(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.

6. 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.

7. 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).

8. 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.).

9. 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 close supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Camco Market is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Camco Market’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, Camco Market agrees to these 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. Camco Market 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 the Order is signed by the Commission. During the period of suspension, Camco Market 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, Camco Market 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 Camco Market's Ticket Sales Agent License is posted.

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

6. Camco Market 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. Camco Market 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 Camco Market has failed

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

8. Camco Market 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 Camco Market will be charged for tickets sold on or before that date. Camco Market 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:

Momin Investments Inc.  
d/b/a Camco Market

Texas Lottery Commission  
Lottery Operations Division

By:

*Karim Momin*

1/16/2025

Karim Momin  
President

DATE

By:

*Robert Tirloni*

1/16/2025

Robert Tirloni  
Director

DATE



**Commission Order No. 25-0041**

**Date: APRIL 29, 2025**

**Case No. 2025-109**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>MOMIN INVESTMENTS INC.</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A CAMCO MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 191019</b>	<b>§</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 Momin Investments Inc. d/b/a Camco Market (Camco Market), 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 (Order) is signed by the Commission. During the period of suspension, Camco Market 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, Camco Market 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 Camco Market's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0041**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that Camco Market 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 Camco Market will be charged for the tickets sold on or before that date. Camco Market 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. 25-0041**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 25-0042**

**Date: APRIL 29, 2025**

**Case No. 2025-110**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>H-E-B, LP</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A HEB FOOD STORE #585</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 487545</b>	<b>§</b>	

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and H-E-B, LP, d/b/a HEB Food Store #585 (HEB Store #585) 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. HEB Store #585 holds Texas Lottery Ticket Sales Agent License No. 487545.
2. HEB Store #585 is located at 1520 Austin Hwy., San Antonio, TX 78218.
3. On August 5, 2024, the Commission received a complaint stating that HEB Store #585 permitted two children to purchase Texas Lottery tickets from the lottery ticket vending machines within the store. The Commission initiated an investigation into this complaint.
4. HEB Store #585 provided video footage of the lottery ticket vending machines to a Commission investigator. The investigator reviewed the video footage and confirmed that it showed two children purchasing lottery tickets from HEB Store #585's vending machines.
5. In response to the investigation, to prevent the sale of lottery tickets to persons younger than 18 years of age, HEB Store #585 has implemented the following safeguards:
  - a. HEB Store #585 has trained its employees on standard operating procedures regarding the prevention of lottery ticket sales to persons younger than 18 years of age.

b. HEB Store #585 has outlined a script for its employees to use in transactions with customers to prevent the sale of lottery tickets to persons younger than 18 years of age.

c. HEB Store #585 is cooperating with the Commission and its lottery operator to survey all other HEB locations regarding the placement and visibility of lottery ticket vending machines.

6. As of December 30, 2024, all Texas Lottery ticket vending machines at retailer locations, including HEB Store #585, require an age verification scan of a valid ID to prevent the sale of lottery tickets to persons younger than 18 years of age.

### **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. HEB Store #585 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 §466.3051(a) states:

A sales agent or an employee of a sales agent commits an offense if the person intentionally or knowingly sells or offers to sell a ticket to an individual that the person knows is younger than 18 years of age.

5. At the time of the violation, 16 Tex. Admin. Code §401.158(b) stated, 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:

...

(6) licensee fails to establish or maintain reasonable security precautions regarding the handling of lottery tickets and other materials;

...

(21) licensee endangers the security and/or integrity of the lottery games operated by the commission;

...

(26) licensee intentionally or knowingly sells a ticket to a person that the licensee knows is younger than 18 years.<sup>1</sup>

6. 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.

7. The Texas Lottery Ticket Sales Agent License of HEB Store #585 is subject to suspension or revocation<sup>2</sup> pursuant to Tex. Gov't Code §466.155(a)(5), as a result of HEB Store #585's violation of Tex. Gov't Code §466.3051(a) and 16 Tex. Admin. Code §§ 401.158(b)(6), (21), and (26) and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, HEB Store #585 agrees to these 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.

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<sup>1</sup> Effective November 18, 2024, the rule provision regarding the sale of a lottery ticket to a person younger than 18 years of age was amended and renumbered from §401.158(b)(26) to §401.158(b)(39).

<sup>2</sup> Also, effective November 18, 2024, 16 Tex. Admin. Code §401.160(h) (Standard Penalty Chart) was amended and renumbered to require license revocation as the sole penalty for the first occurrence of a sale of a lottery ticket to a person younger than 18 years of age. Prior to November 18, 2024, the Standard Penalty Chart authorized a penalty range of 10-90 day suspension to revocation for the first occurrence of a sale of a lottery ticket to a person younger than 18 years of age.

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

3. HEB Store #585 agrees that, as a result of its violation of Tex. Gov't Code §466.3051(a) and 16 Tex. Admin. Code §§ 401.158(b)(6), (21), and (26) and 401.366, its Ticket Sales Agent License will be revoked. The revocation is effective on the date the Order is signed by the Commission, and HEB Store #585 thereafter shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

4. HEB Store #585 acknowledges and agrees that it shall not apply for a new sales agent license before the first anniversary of the date the Order is signed by the Commission.

5. HEB Store #585 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 for any further violations of the State Lottery Act or Commission rules.

6. HEB Store #585 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. This Memorandum of Agreement and Consent order shall not, however, form the basis for, nor be used as, evidence against HEB Store #585 in any future license application, absent other alleged violations.

7. HEB Store #585 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 HEB Store #585 has failed to comply with the terms of the Memorandum of Agreement and Consent Order, additional disciplinary action may be taken against HEB Store #585.



8. HEB Store #585 agrees to provide all active and settled tickets, lottery ticket vending machines and other lottery equipment to the Commission or to an IGT representative within seven (7) days from the effective date of the revocation (set forth in paragraph 3 above). HEB Store #585 further agrees that these active tickets will settle on the date the tickets are retrieved, and HEB Store #585 will be charged for tickets sold on or before that date. HEB Store #585 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission.

AGREED AS TO FORM AND SUBSTANCE:

H-E-B, LP  
d/b/a HEB Food Store #585

Texas Lottery Commission  
Lottery Operations Division

By:



2/12/2025

Jennifer Heath  
Managing Counsel

DATE

By:



2/14/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0042**

**Date: APRIL 29, 2025**

**Case No. 2025-110**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>H-E-B, LP</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A HEB FOOD STORE #585</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 487545</b>	<b>§</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 the Texas Lottery Ticket Sales Agent License of H-E-B, LP, d/b/a HEB Food Store #585 (HEB Store #585) is revoked. The revocation is effective on the date this Consent Order (Order) is signed by the Commission, and HEB Store #585 thereafter 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 HEB Store #585 shall not apply for a new sales agent license before the first anniversary of the date this 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 Order, it is found that HEB Store #585 has failed to comply with the terms of this Order, additional disciplinary action may be taken against HEB Store #585.

**Commission Order No. 25-0042**

**Date: APRIL 29, 2025**

(4) IT IS FURTHER ORDERED by the Commission that HEB Store #585 shall provide all active and settled tickets, lottery ticket vending machines and other lottery equipment to the Commission or to an IGT representative within seven (7) days from the effective date of the revocation (set forth in paragraph (1) above). HEB Store #585 further agrees that these active tickets will settle on the date the tickets are retrieved, and HEB Store #585 will be charged for tickets sold on or before that date. HEB Store #585 will be credited for any tickets that have been paid for in previous sweeps and that are returned to and received by the Commission.

**Commission Order No. 25-0042**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 25-0043**

**Date: APRIL 29, 2025**

**Case No. 2025-131**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>SAINT GEORGE 41175 LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A 7-ELEVEN CONVENIENCE</b>	<b>§</b>	
<b>STORE #41175A</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 189232</b>	<b>§</b>	

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Saint George 41175 LLC d/b/a 7-Eleven Convenience Store #41175A (7-Eleven) 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. 7-Eleven holds Texas Lottery Ticket Sales Agent License No. 189232.
2. Sherif Gerges is the managing member of 7-Eleven, which is located at 400 N. Hwy 77, Waxahachie, Texas 75165.
3. On July 28, 2024, the Commission received a complaint that 7-Eleven charged a fee to purchase Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On August 2, 2024, a Commission investigator attempted to purchase Texas Lottery tickets at 7-Eleven with a debit card and was told by a 7-Eleven employee that the store required customers to purchase other store merchandise in order to buy lottery tickets with a debit card.

5. On August 23, 2024, Sherif Gerges, 7-Eleven managing member, told the investigator that he requires purchase of other store merchandise to buy 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. 7-Eleven 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 §466.302(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.

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:

...

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

6. 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.

7. The Texas Lottery Ticket Sales Agent License of 7-Eleven is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of 7-Eleven'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, 7-Eleven agrees to these 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. 7-Eleven 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 the Order is signed by the Commission. During the period of suspension, 7-Eleven 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, 7-Eleven 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 7-Eleven's Ticket Sales Agent License is posted.



5. 7-Eleven 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 7-Eleven's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. 7-Eleven 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. 7-Eleven 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 7-Eleven has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against 7-Eleven, up to and including revocation of its Texas Lottery Ticket Sales Agent License.


8. 7-Eleven 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 7-Eleven will be charged for tickets sold on or before that date. 7-Eleven 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:

Saint George 41175 LLC  
d/b/a 7-Eleven Convenience Store #41175A

Texas Lottery Commission  
Lottery Operations Division

By:



3/27/2025

Sherif Gerages  
Managing Member

DATE

By:



3/27/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0043**

**Date: APRIL 29, 2025**

**Case No. 2025-131**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>SAINT GEORGE 41175 LLC</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A 7-ELEVEN CONVENIENCE</b>	<b>§</b>	
<b>STORE #41175A</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 189232</b>	<b>§</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 Saint George 41175 LLC d/b/a 7-Eleven Convenience Store #41175A (7-Eleven), 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 (Order) is signed by the Commission. During the period of suspension, 7-Eleven 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, 7-Eleven 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 7-Eleven's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0043**

**Date: APRIL 29, 2025**

(3) IT IS FURTHER ORDERED by the Commission that if, after a formal hearing on the sole issue of compliance with this Order, it is found that 7-Eleven has failed to comply with the terms of this Order, disciplinary action shall be taken against 7-Eleven, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

(4) IT IS FURTHER ORDERED by the Commission that 7-Eleven 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 7-Eleven will be charged for the tickets sold on or before that date. 7-Eleven 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. 25-0043**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



**Commission Order No. 25-0044**

**Date: APRIL 29, 2025**

**Case No. 2025-183**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>Z TO A &amp; COMPANY INC.</b>	<b>§</b>	
	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 126067</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Z to A & Company Inc. (Z to A & Company) 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. Z to A & Company holds Texas Lottery Ticket Sales Agent License No. 126067.
2. Gary Adams is the president of Z to A & Company, which is located at 5701 McCommas Blvd. Dallas, TX 75206.
3. On June 28, 2024, the Commission received a non-winning Texas Lottery scratch ticket for validation from Clifford Hubbard, an employee of Z to A & Company. The lottery ticket had previously been reported as stolen. The Commission initiated an investigation into this claim.
4. On September 13, 2024, Mr. Hubbard told a Commission investigator that he purchased the ticket from a store customer for \$200.

**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. Z to A & Company 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. 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:

...

(9) licensee fails to follow validation procedures, including, but not limited to, paying a claim without validating the ticket, failing to pay a valid prize after validating a customer's winning ticket, or retaining a customer's winning ticket that has not been validated;

...

(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, for anything of value, a lottery ticket from a person who is not a licensed lottery retailer.

6. 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.

7. 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).

8. 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.).

9. 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 close supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Z to A & Company is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Z to A & Company’s violation of Tex. Gov’t Code §466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9) and (33) and 401.366.

## **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Z to A & Company agrees to these 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. Z to A & Company agrees to terminate the employment of Clifford Hubbard within ten (10) days of the date the Order is signed by the Commission.

4. Z to A & Company agrees that, as a result of its violation of Tex. Gov't Code §466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9) and (33) and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Z to A & Company 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.

5. During the entire period of suspension hereunder, Z to A & Company 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 Z to A & Company's Ticket Sales Agent License is posted.

6. Z to A & Company 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 Z to A & Company's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

7. Z to A & Company 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. Z to A & Company 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 Z to A & Company has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Z to A & Company, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

9. Z to A & Company 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 Z to A & Company will be charged for tickets sold on or before that date. Z to A & Company 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:

Z to A & Company Inc.  
d/b/a Z to A & Company Inc.

Texas Lottery Commission  
Lottery Operations Division

By:



3/26/2025

\_\_\_\_\_  
Gary N. Adams  
President

\_\_\_\_\_  
DATE

By:



3/26/2025

\_\_\_\_\_  
Robert Tirloni  
Director

\_\_\_\_\_  
DATE

**Commission Order No. 25-0044**

**Date: APRIL 29, 2025**

**Case No. 2025-183**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>Z TO A &amp; COMPANY INC.</b>	<b>§</b>	
	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 126067</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 Z to A & Company Inc. (Z to A & Company) terminate the employment of Clifford Hubbard within ten (10) days of the date this Consent Order (Order) is signed by the Commission.

(2) IT IS ORDERED by the Commission that, in lieu of revocation of the Texas Lottery Ticket Sales Agent License of Z to A & Company Inc., the license is suspended for a period of thirty (30) 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, Z to A & Company shall not sell Texas Lottery tickets of any kind, shall not validate Texas Lottery tickets, and shall not pay lottery prizes to customers.

**Commission Order No. 25-0044**

**Date: APRIL 29, 2025**

(3) IT IS FURTHER ORDERED by the Commission that, during the entire period of suspension, Z to A & Company 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 Z to A & Company's Texas Lottery Ticket Sales Agent License is posted.

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

(5) IT IS FURTHER ORDERED by the Commission that Z to A & Company 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 Z to A & Company will be charged for the tickets sold on or before that date. Z to A & Company 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. 25-0044**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER





Commission Order No. 25-0045

Date: APRIL 29, 2025

Case No. 2025-184

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
HOAV LLC	§	
D/B/A K & M GROCERY	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 191124	§	LOTTERY COMMISSION

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and HOAV LLC d/b/a K & M Grocery (K & M Grocery) 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. K & M Grocery holds Texas Lottery Ticket Sales Agent License No. 191124.
2. Ronnie Neutzler is a managing member of K & M Grocery, which is located at 3600 Highway 36 South, Brenham, TX 77833.
3. On May 14, 2024, the Commission received a winner claim form in the mail from Mr. Neutzler accompanied by a \$50 winning scratch ticket. Based on an internal review, the Commission initiated an investigation into this claim.
4. On January 6, 2025, Mr. Neutzler admitted that he attempted to claim the ticket for 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. K & M Grocery 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 §466.306(a) states:

A person commits an offense if the person intentionally or knowingly alters or forges a ticket.

5. Tex. Gov't Code §466.308(a) states, in pertinent part:

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.

6. 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.

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:

...

(9) licensee fails to follow validation procedures, including, but not limited to, paying a claim without validating the ticket, failing to pay a valid prize after validating a customer's winning ticket, or retaining a customer's winning ticket that has not been validated;

...

(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, for anything of value, a lottery ticket from a person who is not a licensed lottery retailer.

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 K & M Grocery is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of K & M Grocery's violation of Tex. Gov't Code §§ 466.306(a), 466.308(a), and 466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9), (31), and (33), and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, K & M Grocery agrees to these 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. K & M Grocery agrees that, as a result of its violation of Tex. Gov't Code Tex. Gov't Code §§ 466.306(a), 466.308(a), and 466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9), (31), and (33), 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 the Order is signed by the Commission. During the period of suspension, K & M Grocery 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, K & M Grocery 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 K & M Grocery's Ticket Sales Agent License is posted.

5. K & M Grocery 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 K & M Grocery's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. K & M Grocery 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. K & M Grocery 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 K & M Grocery has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against K & M Grocery, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. K & M Grocery 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 K & M Grocery will be charged for tickets sold on or before that date. K & M Grocery 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:

HOAV LLC  
d/b/a K & M Grocery

Texas Lottery Commission  
Lottery Operations Division

By:

*Ronnie Neutzler*

2/24/2025

Ronnie Neutzler  
Managing Member

DATE

By:

*Robert Tirloni*

3/3/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0045**

**Date: APRIL 29, 2025**

**Case No. 2025-184**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>HOAV LLC</b>	<b>§</b>	
<b>D/B/A K &amp; M GROCERY</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 191124</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 HOAV LLC d/b/a K & M Grocery (K & M Grocery), 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 (Order) is signed by the Commission. During the period of suspension, K & M Grocery 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, K & M Grocery 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 K & M Grocery's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0045**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that K & M Grocery 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 K & M Grocery will be charged for the tickets sold on or before that date. K & M Grocery 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. 25-0045**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER





**Commission Order No. 25-0046**

**Date: APRIL 29, 2025**

**Case No. 2025-423**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>711 WASHINGTON CORP.</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A PICK N PAY MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 193466</b>	<b>§</b>	

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and 711 Washington Corp. d/b/a Pick N Pay Market (Pick N Pay Market) 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. Pick N Pay Market holds Texas Lottery Ticket Sales Agent License No. 193466.
2. Muhammed Baqui is a director of Pick N Pay Market, which is located at 701 W. Washington Ave., Navasota, Texas 77868.
3. On October 22, 2024, Zabiullah Aryaie, a Pick N Pay Market employee, presented a Texas Lottery scratch ticket to the Houston Claim Center for validation. Based on an internal review, the Commission initiated an investigation into this claim.
4. On December 11, 2024, Mr. Aryaie told a Commission investigator that he purchased the ticket from a store customer for \$500.
5. Pick N Pay Market has terminated Mr. Aryaie from employment.

**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. Pick N Pay Market 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. At the time of the violation, 16 Tex. Admin. Code §401.158(b) stated, 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:

...

(9) licensee fails to follow validation procedures, including, but not limited to, paying a claim without validating the ticket, failing to pay a valid prize after validating a customer's winning ticket, or retaining a customer's winning ticket that has not been validated;

...

(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, for anything of value, a lottery ticket from a person who is not a licensed lottery retailer.<sup>1</sup>

6. 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

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<sup>1</sup> Effective November 18, 2024, the rule provision was renumbered from §401.158(b)(33) to §401.158(b)(32).

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.

7. 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).

8. 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.).

9. 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 close supervision over the lottery.

10. The Texas Lottery Ticket Sales Agent License of Pick N Pay Market is subject to suspension or revocation pursuant to Tex. Gov’t Code §466.155(a)(5), as a result of Pick N Pay

Market's violation of Tex. Gov't Code §466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9) and (33) and 401.366.

### **MEMORANDUM OF AGREEMENT**

1. By signing this Memorandum of Agreement, Pick N Pay Market agrees to these 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. Pick N Pay Market agrees that, as a result of its violation of Tex. Gov't Code Tex. Gov't Code §466.310(a) and 16 Tex. Admin. Code §§ 401.158(b)(9) and (33) and 401.366, its Ticket Sales Agent License will be suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date the Order is signed by the Commission. During the period of suspension, Pick N Pay Market 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, Pick N Pay Market 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 Pick N Pay Market's Ticket Sales Agent License is posted.

5. Pick N Pay Market 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 Pick N Pay Market's Ticket Sales Agent License, for any further violations of the State Lottery Act or Commission rules.

6. Pick N Pay Market 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. Pick N Pay Market 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 Pick N Pay Market has failed to comply with the terms of the Memorandum of Agreement and Consent Order, disciplinary action shall be taken against Pick N Pay Market, up to and including revocation of its Texas Lottery Ticket Sales Agent License.

8. Pick N Pay Market 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 Pick N Pay Market will be charged for tickets sold on or before that date. Pick N Pay Market 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:

711 Washington Corp.  
d/b/a Pick N Pay Market

Texas Lottery Commission  
Lottery Operations Division

By:

*Muhammed Baqui*

4/9/2025

Muhammed Baqui  
Director

DATE

By:

*Robert Tirloni*

4/10/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0046**

**Date: APRIL 29, 2025**

**Case No. 2025-423**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>711 WASHINGTON CORP.</b>	<b>§</b>	<b>LOTTERY COMMISSION</b>
<b>D/B/A PICK N PAY MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 193466</b>	<b>§</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 711 Washington Corp. d/b/a Pick N Pay Market (Pick N Pay Market), the license is suspended for a period of thirty (30) consecutive days. The suspension period will begin within seven (7) days from the date this Consent Order (Order) is signed by the Commission. During the period of suspension, Pick N Pay Market 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, Pick N Pay Market 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 Pick N Pay Market's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0046**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that Pick N Pay Market 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 Pick N Pay Market will be charged for the tickets sold on or before that date. Pick N Pay Market 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. 25-0046**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



Commission Order No. 25-0047

Date: APRIL 29, 2025

SOAH Docket No. 362-25-14581

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
KINGSLEY MART INC.	§	
D/B/A ROYAL MARKET	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 184535	§	LOTTERY COMMISSION

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Kingsley Mart Inc. d/b/a Royal Market (Royal Market) 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. Royal Market holds Texas Lottery Ticket Sales Agent License No. 184535.
2. Sohrab Bonyadvandi is the president of Royal Market, which is located at 1326 W. Kingsley Rd., Garland, TX 75041.
3. On May 10, 2024, the Commission received a complaint that Royal Market charged a fee to purchase Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On May 23, 2024, Mr. Bonyadvandi admitted to a Commission investigator that Royal Market charged a fee to purchase 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. Royal Market 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 §466.302(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.

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:

...

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

(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.

6. 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.

7. The Texas Lottery Ticket Sales Agent License of Royal Market is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Royal Market'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, Royal Market agrees to these 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. Royal Market 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 the Order is signed by the Commission. During the period of suspension, Royal Market 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, Royal Market 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 Royal Market's Ticket Sales Agent License is posted.

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

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

8. Royal Market 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 Royal Market will be charged for tickets sold on or before that date. Royal Market 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:

Kingsley Mart Inc.  
d/b/a Royal Market

By:



3/25/2025

Sohrab Bonyadvandi  
President

DATE

Texas Lottery Commission  
Lottery Operations Division

By:



3/25/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0047**

**Date: APRIL 29, 2025**

**SOAH Docket No. 362-25-14581**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>KINGSLEY MART INC.</b>	<b>§</b>	
<b>D/B/A ROYAL MARKET</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 184535</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 Kingsley Mart Inc. d/b/a Royal Market (Royal Market), 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 (Order) is signed by the Commission. During the period of suspension, Royal Market 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, Royal Market 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 Royal Market's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0047**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that Royal Market 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 Royal Market will be charged for the tickets sold on or before that date. Royal Market 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. 25-0047**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



Commission Order No. 25-0048

Date: APRIL 29, 2025

SOAH Docket No. 362-25-14582

IN THE MATTER OF	§	BEFORE THE TEXAS
	§	
WINTERGREEN BUSINESS INC.	§	
D/B/A POWER MART #19	§	
	§	
TEXAS LOTTERY TICKET SALES	§	
AGENT LICENSE NO. 153646	§	LOTTERY COMMISSION

**MEMORANDUM OF AGREEMENT AND CONSENT ORDER**

The Texas Lottery Commission (Commission) and Wintergreen Business Inc. d/b/a Power Mart #19 (Power 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. Power Mart holds Texas Lottery Ticket Sales Agent License No. 153646.
2. Karim Rashid is the president of Power Mart, which is located at 1501 N. Hampton, Desoto, TX 75115.
3. On August 16, 2024, the Commission received a complaint that Power Mart required customers to purchase additional store merchandise when purchasing Texas Lottery tickets with a debit card. The Commission initiated an investigation into this complaint.
4. On September 17, 2024, Mr. Rashid admitted to a Commission investigator that he required customers to purchase additional store merchandise when purchasing 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. Power 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 §466.302(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.

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:

...

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

6. 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.

7. The Texas Lottery Ticket Sales Agent License of Power Mart is subject to suspension or revocation pursuant to Tex. Gov't Code §466.155(a)(5), as a result of Power Mart'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, Power Mart agrees to these 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. Power Mart 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 the Order is signed by the Commission. During the period of suspension, Power 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, Power 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 Power Mart's Ticket Sales Agent License is posted.

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

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

8. Power 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 Power Mart will be charged for tickets sold on or before that date. Power 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:

Wintergreen Business Inc.  
d/b/a Power Mart #19

By:



3/25/2025

Karim Rashid  
President

DATE

Texas Lottery Commission  
Lottery Operations Division

By:



3/25/2025

Robert Tirloni  
Director

DATE

**Commission Order No. 25-0048**

**Date: APRIL 29, 2025**

**SOAH Docket No. 362-25-14582**

<b>IN THE MATTER OF</b>	<b>§</b>	<b>BEFORE THE TEXAS</b>
	<b>§</b>	
<b>WINTERGREEN BUSINESS INC.</b>	<b>§</b>	
<b>D/B/A POWER MART #19</b>	<b>§</b>	
	<b>§</b>	
<b>TEXAS LOTTERY TICKET SALES</b>	<b>§</b>	
<b>AGENT LICENSE NO. 153646</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 Wintergreen Business Inc. d/b/a Power Mart #19 (Power Mart), 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 (Order) is signed by the Commission. During the period of suspension, Power 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, Power 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 Power Mart's Texas Lottery Ticket Sales Agent License is posted.

**Commission Order No. 25-0048**

**Date: APRIL 29, 2025**

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

(4) IT IS FURTHER ORDERED by the Commission that Power 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 Power Mart will be charged for the tickets sold on or before that date. Power 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. 25-0048**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



Date: APRIL 29, 2025

DOCKET NO. 362-25-05024

TEXAS LOTTERY COMMISSION,  
*Petitioner,*

v.

HMH BROTHERS LLC  
D/B/A K AND M FOOD MART  
RETAILER NO. 192692,  
*Respondent.*

§  
§  
§  
§  
§  
§  
§  
§  
§

BEFORE THE TEXAS  
LOTTERY COMMISSION

**ORDER OF THE COMMISSION**

During an open meeting in Austin, Texas, the Texas Lottery Commission (Commission) finds that, after proper and timely notice was given, the above-styled case was heard by and Administrative Law Judge (ALJ) who made and filed a Proposal for Decision (PFD) containing the ALJ's Findings of Fact and Conclusions of Law. The PDF was properly served, and all parties were given the opportunity to file exceptions and replies as part of the record herein.

The Commission, after review and due consideration of the PFD and exceptions and replies filed, if any, adopts the ALJ's Findings of Fact and Conclusions of Law as if fully set out and separately stated herein. All proposed Findings of Fact and Conclusions of Law not specifically adopted herein are hereby denied.

NOW, THEREFORE, IT IS ORDERED that HMH Brothers LLC d/b/a K and M Food Mart's (K and M Food Mart) request for a redetermination of its jeopardy determination is denied, and K and M Food Mart owes the Commission taxes and fees in the amount of \$36,750.06, in addition to any penalty and interest allowable by law.

**Commission Order No. 25-0049**

**Date: APRIL 29, 2025**

Passed and approved at the regular meeting of the Texas Lottery Commission in Austin, Texas, on the 29<sup>TH</sup> day of APRIL 2025.

Entered this 29<sup>TH</sup> day of APRIL 2025.

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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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JAMES H. C. STEEN, COMMISSIONER



ACCEPTED  
362-25-05024  
1/24/2025 10:30:43 am  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

FILED  
362-25-05024  
1/24/2025 10:20 AM  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS  
Kevin Garza, CLERK

# State Office of Administrative Hearings

Kristofer S. Monson  
Chief Administrative Law Judge

January 24, 2025

Dorota Bienkowska, Alfredo Garcia IV,  
Kristen Guthrie & Tarah Lossman

**VIA EFILE TEXAS**

Umar Shahid/Shahid Umar

**VIA EFILE TEXAS**

**RE: SOAH Docket Number 362-25-05024.TLC; Texas Lottery  
Commission v. HMH Brothers LLC d/b/a K and M Food Mart**

Dear Parties:

Please find attached a Proposal for Decision in this case.

Exceptions and replies may be filed by any party in accordance with 1 Texas Administrative Code section 155.507(b), a SOAH rule which may be found at [www.soah.texas.gov](http://www.soah.texas.gov).

CC: Service List

**BEFORE THE  
STATE OFFICE OF ADMINISTRATIVE  
HEARINGS**

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**TEXAS LOTTERY COMMISSION,  
PETITIONER  
v.  
HMH BROTHERS LLC D/B/A K AND M FOOD MART,  
RESPONDENT**

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**PROPOSAL FOR DECISION**

HMH Brothers LLC d/b/a K and M Food Mart (Respondent or HMH) petitioned the Texas Lottery Commission (Commission) for a redetermination of its jeopardy determination regarding its outstanding debt. Commission staff (Staff) contends that HMH owes the Commission \$36,750.06. Based on the evidence presented, the Administrative Law Judge (ALJ) recommends denying Respondent's redetermination request and finds that Respondent owes \$36,750.06.

## **I. NOTICE, JURISDICTION, AND PROCEDURAL HISTORY**

There were no contested issues of jurisdiction or notice. Those issues are set forth in the Findings of Fact and Conclusions of Law below.

On December 12, 2024, ALJ Amy Davis of the State Office of Administrative Hearings convened the hearing by video conference via Zoom. Attorney Kristen Guthrie represented Staff. Umar Shahid, the managing member of HMMH, represented Respondent. The record closed on December 12, 2024, upon the filing of admitted exhibits.

## **II. APPLICABLE LAW**

The State Lottery Act (the Act)<sup>1</sup> provides that the sale of lottery tickets is treated as if it were a tax, and the Commission's Executive Director has the same administrative, enforcement, and collection powers as those found in the Texas Tax Code.<sup>2</sup>

A retailer must be licensed as a sales agent by the Commission to sell lottery tickets.<sup>3</sup> A licensee of the Commission is liable for all lottery tickets accepted until the lottery ticket is either purchased or returned to the Commission within the time and manner prescribed by the Commission.<sup>4</sup> Under the Commission's rules, a

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<sup>1</sup> Tex. Gov't. Code ch. 466.

<sup>2</sup> Tex. Gov't. Code § 466.019(b).

<sup>3</sup> Tex. Gov't. Code § 466.151.

<sup>4</sup> Tex. Gov't. Code § 466.353(a).



retailer bears the financial risk of loss for all lottery tickets received because receipt of tickets constitutes a purchase of those tickets.<sup>5</sup> Additionally, a retailer has a fiduciary duty to preserve and account for lottery proceeds and shall be personally liable for all proceeds.<sup>6</sup>

A retailer may return full and complete packs of unactivated tickets in original condition and receive an accounting indicating that the packs have been removed from the retailer's inventory.<sup>7</sup> If a retailer is the victim of theft where lottery tickets have been stolen, a retailer must report the theft to the appropriate local law enforcement authorities and the Commission's enforcement division through the lottery operator hotline within 24 hours of the discovery of the theft.<sup>8</sup> A retailer may receive an adjustment for tickets lost or stolen so long as no tickets sold in the timeframe reported have been validated (i.e., cashed out) and the theft was properly reported within 24 hours of the discovery of the theft.<sup>9</sup> If validations occur on the lost or stolen tickets, the retailer is responsible for the range of tickets in which the validations occurred.<sup>10</sup>

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<sup>5</sup> 16 Tex. Admin. Code §§ 401.362(a)(1),.370(b)(1).

<sup>6</sup> 16 Tex. Admin. Code § 401.351.

<sup>7</sup> 16 Tex. Admin. Code §§ 401.362(a)(2),.370(b)(2).

<sup>8</sup> 16 Tex. Admin. Code § 401.370(b)(3)-(4).

<sup>9</sup> 16 Tex. Admin. Code § 401.370(b)(3).

<sup>10</sup> 16 Tex. Admin. Code § 401.370(b)(3).

### III. EVIDENCE

At the hearing, Staff had 14 exhibits admitted into evidence<sup>11</sup> and presented testimony from Joel Garza, a retailer services specialist for the Commission. Mr. Shahid offered no exhibits into evidence and testified on behalf of HMH.

#### A. COMMISSION STAFF'S EVIDENCE

Mr. Garza is a retailer services specialist for the Commission. His responsibilities include retailer accounting, retailer compliance (including monitoring payment of weekly balances conducted through electronic funds transfer of retailer-designated bank accounts), and the preparation and maintenance of documentation and records related to retailer accounts.

Mr. Garza testified that HMH reported stolen lottery tickets to the Commission on August 13, 2024.<sup>12</sup> Based on the Commission's documentation, on August 9, 2024, Mr. Shahid discovered that a former employee had stolen multiple packs of lottery tickets.<sup>13</sup> Specifically, Mr. Shahid noticed that his lottery terminal

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<sup>11</sup> Staff Ex. 1 (Notice of Redetermination Hearing); Staff Ex. 2 (Respondent's Request for Hearing); Staff Ex. 3 (Texas Notice of Tax/Fee Due and Jeopardy Determination); Staff Ex. 4 (Retailer Bank Return List); Staff Ex. 5 (Employee Theft Instant Ticket Report); Staff Ex. 6 (Commission's Lost or Stolen Ticket Policy and Procedure from Retailer Guide); Staff Ex. 7 (Full Statement, Statement Summary, and Packs Settled for the Week Ending in July 27, 2024); Staff Ex. 8 (Full Statement, Statement Summary, and Packs Settled for the Week Ending in August 3, 2024); Staff Ex. 9 (Full Statement, Statement Summary and Packs Settled for the week ending August 10, 2024); Staff Ex. 10 (Full Statement, Statement Summary and Packs Settled for the week ending August 17, 2024); Staff Ex. 11 (Reconciliation Summary); Staff Ex. 12 (Application for Texas Lottery Ticket Sales License and Texas Lottery Renewal Application); Staff Ex. 13 (Commission's Retailer Inventory Return Checklist, Equipment Install/Removal Form, Manual Return Form, Ticket Sales License, Inventory Summary and Returned Pack Report); Staff Ex. 14 (Order of the Commission (August 6, 2020) for Arab Acquisitions Company LLC d/b/a AAC #101).

<sup>12</sup> Staff Ex. 5.

<sup>13</sup> Staff Ex. 5.

was not working correctly. After going through his reports and communicating with the Commission, Mr. Shahid determined that a theft had taken place. By the time Mr. Shahid reported the theft, multiple packs of stolen lottery tickets had already been validated and could not be credited to HMH.<sup>14</sup> Because some of the stolen tickets had not been validated by the time the tickets were placed on stolen status, the Commission credited HMH's account for those unvalidated tickets. The Commission's reconciliation summary for the weeks of July 27, 2024, through December 16, 2024, details the outstanding debts owed by the retailer to the Commission. Mr. Garza testified that the reconciliation summary revealed that HMH owes the Commission \$36,750.06. He added that the Commission's efforts to recover these debts through HMH's linked bank account have been prevented by insufficient funds notices.<sup>15</sup>

Mr. Garza testified that HMH surrendered its license to sell lottery tickets on August 14, 2024. He explained that when a retailer surrenders its license, the Commission completes an inventory checklist to show the equipment and tickets (including whether the tickets have been activated, settled, or not opened) have been picked up from the retailer.<sup>16</sup>

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<sup>14</sup> Staff Exs. 5, 7-10.

<sup>15</sup> Staff Ex. 4.

<sup>16</sup> Staff Ex. 13.

## **B. RESPONDENT'S TESTIMONY**

Mr. Shahid testified about the details surrounding the lottery ticket theft from HMH and expressed frustration with what he perceived as problems in the Commission's procedures for reporting stolen tickets and the Commission's use of outdated technology on the lottery terminals.

Mr. Shahid testified that when he received the lottery terminal in his store, the username and password to access the lottery terminal was displayed on the front of it. He did not remove this information because every time he contacted the Commission, he would need this information to access the lottery terminal. He testified that at some point during June or July of 2024, there was a storm that caused significant damage to his store and forced him to cease operations. The store remained closed while he hired a crew to clean up the damage from the storm. The cleanup crew not only remediated the store, but they also accepted packages that were delivered—including additional lottery tickets delivered by the Commission to HMH. During the cleanup period, a thief accessed the lottery terminal and stole tickets from him. Mr. Shahid did not discover the theft until early August, at which point he reported it to the Commission.

Mr. Shahid stated that he felt it was unfair for the Commission to not take any preventative action to prevent further validations when his store's lottery ticket sales spiked during the weeks following the theft. His store normally would only sell between \$6,000 and \$7,000 worth of lottery tickets a month. During the theft, there was a week in which \$20,000 worth of tickets were validated. He testified that this spike should have caused the Commission to investigate and stop ticket sales earlier.

He also testified that the technology used by the Commission facilitates the ease of theft because it is unsophisticated and unsecure.

#### **IV. ANALYSIS**

The Texas Lottery Act and Commission rules give the Commission discretion to credit a retailer who is subject to theft.<sup>17</sup> In this case, the Commission credited HMH for the lottery games the Commission was able to stop before the tickets were validated. Under the law, licensees are expected to treat lottery tickets as cash, and to ensure to the extent possible that they are not stolen.<sup>18</sup> Here, Respondent openly displayed the username and password on the lottery terminal located in his store, which allowed a thief to access and steal the tickets. Based on Respondent's testimony, it appears that Respondent was not immediately aware of theft, and he did not report the theft within 24 hours of discovering it. Ultimately, responsibility for the stolen tickets lies with Respondent and not with the Commission. Based on the evidence presented, the ALJ concludes that Respondent's request for redetermination should be denied, and Respondent remains liable to the Commission for the remaining outstanding balance of \$36,750.06.

#### **V. FINDINGS OF FACT**

1. At the times relevant to this case, the Texas Lottery Commission (Commission) licensed HMH Brothers LLC d/b/a K and M Food Mart

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<sup>17</sup> 16 Tex. Admin. Code § 401.370(b) ("The director *may* credit a retailer's account for a range of activated tickets in a pack reported as stolen or lost..." ) (emphasis added).

<sup>18</sup> *E.g.* 16 Tex. Admin. Code § 401.362(c).

(Respondent) as a Texas Lottery Tickets Sales Agent No. 192692. Umar Shahid is the managing partner of Respondent.

2. The username and password to access Respondent's lottery terminal was openly displayed on the terminal in Respondent's store.
3. In June or July of 2024, Respondent's store was damaged by a storm and forced to cease operations while the damage was remediated.
4. During the remediation, a cleanup crew had access to the store and accepted packages for Respondent, including additional lottery tickets from the Commission.
5. At some point between June and August 9, 2024, an unidentified thief accessed HMH's lottery terminal and stole lottery tickets.
6. On August 9, 2024, Mr. Shahid discovered that a former employee had stolen multiple packs of lottery tickets. Specifically, Mr. Shahid noticed that his lottery terminal was not working correctly. After going through his reports and communicating with the Commission, Mr. Shahid determined that a theft had taken place.
7. On August 13, 2024, Mr. Shahid reported the theft of the lottery tickets to the Commission.
8. Respondent did not report the theft of the lottery tickets within 24 hours to the Commission.
9. On August 14, 2024, Respondent surrendered its lottery tickets sales agent license.
10. Because some of the stolen tickets had not been validated by the time the tickets were placed on stolen status, the Commission credited Respondent's account for those unvalidated tickets.
11. The Commission's reconciliation summary for the weeks of July 27, 2024, through December 16, 2024, detailed the outstanding debts owed by the retailer to the Commission and revealed that Respondent owes the Commission \$36,750.06.

12. The Commission's efforts to recover these debts through Respondent's linked bank account have been prevented by insufficient funds notices.
13. On November 15, 2024, Commission Staff sent the notice of hearing to be held before an Administrative Law Judge (ALJ) at the State Office of Administrative Hearings (SOAH), which contained a statement of the nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and a short, plain statement of the factual matters asserted, or an attachment that incorporated by reference the factual matters asserted in the complaint or petition filed with the state agency.
14. On December 12, 2024, SOAH ALJ Amy Davis convened the hearing on the merits by video conference. Kristin Guthrie, Assistant General Counsel, represented Staff. Umar Shahid, the managing member of Respondent, represented Respondent. The hearing concluded and the record closed that same day.

## **VI. CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this matter pursuant to the State Lottery Act. Tex. Gov't Code ch. 466; 16 Tex. Admin. Code ch. 401.
2. SOAH has jurisdiction over matters related to the hearing in this proceeding, including the authority to issue a proposal for decision with proposed findings of fact and conclusions of law. Tex. Gov't Code ch. 2003; 1 Tex. Admin. Code ch. 155.
3. Proper and timely notice of the hearing was provided to Respondent pursuant to Texas Government Code sections 2001.051-.052.
4. The Texas Lottery Act provides that the sale of lottery tickets is treated as if it were a tax, and the Commission's Executive Director has the same administrative, enforcement, and collection powers as those found in the Texas Tax Code. Tex. Gov't. Code § 466.019.

5. A licensee of the Commission is liable for all lottery tickets accepted until the lottery ticket is either purchased or returned to the Commission within the time and manner prescribed by the Commission. Tex. Gov't. Code § 466.35.
6. Under the Commission's rules, a retailer bears the financial risk of loss for all lottery tickets received because receipt of tickets constitutes a purchase of those tickets. 16 Tex. Admin. Code §§ 401.362(a),.370(b)(1).
7. A retailer has a fiduciary duty to preserve and account for lottery proceeds and shall be personally liable for all proceeds. 16 Tex. Admin. Code § 401.351.
8. A retailer may return full and complete packs of unactivated tickets in original condition and receive an accounting indicating that the packs have been removed from the retailer's inventory. 16 Tex. Admin. Code § 401.370(b)(2).
9. If a retailer is the victim of theft where lottery tickets have been stolen, a retailer must report the theft to the appropriate local law enforcement authorities and the Commission's enforcement division through the lottery operator hotline within 24 hours of the discovery of the theft. 16 Tex. Admin. Code § 401.370(b)(3)-(4).
10. A retailer may receive an adjustment for tickets lost or stolen so long as no tickets sold in the timeframe reported have been validated (i.e. cashed out) and the theft was properly reported within 24 hours of the discovery of the theft. 16 Tex. Admin. Code § 401.370(b)(3).
11. If validations occur on the lost or stolen tickets, the retailer is responsible for the range of tickets in which the validations occurred. 16 Tex. Admin. Code § 401.370(b)(3).
12. Respondent's request for a redetermination of its jeopardy determination should be denied.



13. Respondent owes the Commission \$36,750.06.

**Signed January 24, 2025**



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**AMY DAVIS**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**