



APPLICATION INFORMATION

North Carolina Education Lottery (NCEL) certificates are subject to the North Carolina State Lottery Act (N.C.G.S. §18C-101 et seq.).

Retailers:

- Must be at least 21 years of age;
- Must be registered to do business in the State of North Carolina;
- Cannot be engaged exclusively in the business of selling lottery tickets or operating electronic computer terminals or other devices solely for entertainment;
- Must undergo a background investigation (credit and criminal history check);
- Must be current in filing all applicable tax returns and payment of all taxes, interest, and penalties to the State of North Carolina (verification through the NC Department of Revenue);
- **Must open a dedicated bank account designated as “In Trust for the North Carolina Education Lottery” and is strictly used for the deposit of lottery net proceeds only;**
- Cannot reside in the same household as an NCEL employee or NCEL Commissioner; and
- Must provide a copy of Lease, Bill of Sale, Purchase Agreement, or Warranty Deed (Required for all applicants).

NCEL Retailer Contract is not assignable or transferable. If you have purchased or are in the process of purchasing a business that is currently contracted to sell NCEL products, you will have to apply separately and apart from the current business, to sell NCEL products. Failure to follow NCEL Contract, NC Lottery Act, and NCEL Rules, Regulations, policies and procedures may subject the applicant/retailer to denial, suspension, and/or cancellation of license.

All applications are processed in the NCEL Retailer Contracts Department at the NCEL headquarters in Raleigh. For additional information about the application process, NCEL Retailer Contract and the **Rules & Regulations**, visit the NCEL website at <http://www.nc-educationlottery.org/> or to inquire about the status of an application, a Customer Service Representative can be reached by calling the Customer Service Hotline at **1-877-382-4530, Option 2 or TTY at 1-888-663-0154.**

**** A copy of your NCEL Retailer Contract and the Rules & Regulations are always available upon request. For a copy of the Rules & Regulations, visit the NCEL website at <http://www.nc-educationlottery.org/> or call our Customer Service hotline at 1-877-382-4530, Option 2 for a copy to be mailed to you.****



THE APPLICATION PROCESS

Stage 1 Document Review

1. The application will be reviewed for completeness and verification of all required documentation including copies of owner(s) valid Driver's License.
2. If an application is incomplete, the applicant will be alerted by a NCEL representative and required to submit all missing documentation within 90 days. Otherwise, the application will be cancelled.
3. A NCEL representative will verify bank account information.
4. Upon completion of stage 1, notification will be sent to the applicant via US mail and Stage 2 processing will begin.

Stage 2 Background Investigations

1. All retailers are subject to a:
 - credit check;
 - taxation check; and
 - criminal history check.
2. A background investigation will be performed on each individual owner or partner for sole proprietorships, general partnerships, and limited partnerships.
3. A background investigation will be performed on business owners/authorized agents for corporations and LLCs.
4. All retailers are required to provide to the NCEL at least one of the following documents:
 - a signed and dated Bill of Sale;
 - Purchase Agreement;
 - Lease/ Rental Agreement; or
 - Warranty Deed.
5. A physical assessment will be conducted to determine whether the business would be exclusively engaged in the sale of lottery tickets or operating electronic computer terminals or other devices solely for entertainment.

Stage 3 Approval/Denial Notification

1. If approved, notification will be sent via US mail with further instructions on how to schedule training and terminal installation.
2. If denied, notice will be sent via US mail describing the appeal process for applicants who desire to appeal the NCEL's decision. If the applicant does not file an appeal within five (5) business days of receiving the denial notice, the application will expire.

Stage 4 Site Assessment

1. The retail location will then be physically assessed for compliance with the Americans with Disabilities Act (ADA).
2. The retail location will be assessed for compliance with ADA every three (3) years.



APPLICATION CHECKLIST

After completing the application, please submit the following:

- A completed application (pages 1-6)
- Copy of owner(s) valid Driver’s License (black and white copy only)
- All required documents based on your business structure (page iii of the application instructions)
- The application fee

- There is a \$75 non-refundable application fee.
- There is an additional \$10 non-refundable application fee for each additional location within the same business structure for a new applicant or a currently active retailer.

Use the grid below to determine the total amount of your application fee. Mark the fees you will be paying and indicate the number of each additional location. Include this completed worksheet with your application and fee payment.

<u>Type of Fees</u>	<u>Number of Fees</u>	<u>Amount</u>
<ul style="list-style-type: none"> • Base application fee (Initial location) 	1 x\$75=	\$75
<ul style="list-style-type: none"> • Additional location fee (Each additional location to be considered; state taxpayer number, Federal ID, and/or social security number must be the same as the initial location) 	_____x\$10=	\$ _____
Total Fee Paid		\$ _____

All Applicants

- Provide the Purchase Agreement, Bill of Sale, Warranty Deed, or Lease/Rental Agreement.***

**if your application does not include all of the items listed above,
it will be considered incomplete.**

Incomplete applications can not be processed.

For assistance in completing this application, read the “North Carolina Education Lottery Application Instructions.” For additional assistance, please call the North Carolina Education Lottery Customer Service Hotline toll free at 1-877-382-4530, option 2, then option 1 or TTY at 1-888-663-0154.

Retailer Application Instructions

Section A. Location Information [page 1]

1. Write the store/location name (doing business as, DBA)
2. Write the physical address, street address, city, county, state, and zip code.
3. Write the mailing address, street address, city, county, state, and zip code of where you would like all official documentation to be sent.
4. Write the Store Manager name, e-mail address, store telephone number and fax number, and one alternate telephone number. The store manager will be an authorized contact for your store in addition to all owners/officers listed.
5. Write your business's daily store hours and a weekly average customer count.

Section B. Business Information [pages 1& 2]

1. Write the legal business name, as it appears on the W-9.
2. Write the total number of owners in your business.
3. Mark the box that corresponds with your business type identified on your W-9.
4. Write your North Carolina Sales and Use Tax ID provided by the North Carolina Department of Revenue (NCDOR).
5. Write your ABC permit number (if any).
6. Write your Federal Tax ID number (if applicable).
7. Circle the trade style that matches your business.
8. Optional question. Mark the following if your business is minority owned. If yes, mark the minority type.
9. Write the information for any additional locations on page 2.

Section C. Owner/Officer Information [page 3]

Write the full name, date of birth, Social Security Number, percent of ownership, gender, home address, city, county, state, zip code, home phone number, work phone number, cell phone number, fax number, and E-mail (if applicable) for each principal. NCEL will contact you if fingerprints are needed.

Section D. Background Questionnaire [page 3]

Follow the instructions listed in this section to mark the appropriate box for each of the questions in this section.

Section E. Investigation Release and Retailer Contract Acceptance [page 4]

1. Each owner must read the certification, acknowledgement and agreement.
2. Each owner listed in Section C must sign, print name, date and complete the Contract Agreement.
3. Form must be notarized.

Each owner/officer must complete these sections of the application.

Electronic Funds Transfer Authorization [page 5]

Have your financial institution representative draft a letter on bank letterhead that includes the bank name and branch name, contact phone number, address, bank routing number and the EFT account number and confirmation that the account is “**In Trust for the North Carolina Education Lottery**” and is dedicated for lottery use **only**.

W-9 Request for Taxpayer Identification Number and Certification [page 6] ****Please see Ownership Entities and W-9 Guide on page 16 for additional assistance.**

Follow the instructions listed in this section to complete your W-9 form. Sign and date page 6 where indicated.



NORTH CAROLINA EDUCATION LOTTERY

Retailer Application

MAIL TO: Retailer Contracts Department
2100 Yonkers Rd.
Raleigh, NC 27604-2255
<http://www.nc-educationlottery.org>

Customer Service: (877) 382-4530 opt 2, opt 3

TTY Service: (888) 663-0154

Section A: Location Information **Complete Page 2 for additional locations*

Location Information	1.Store/Location DBA Name:											
	2.Physical Address:		Physical Address:									
			City:			County:			State:		ZIP:	
	3.Mailing Address:		Mailing Address:									
			City:			County:			State:		ZIP:	
	5.Store Manager Info:		Name:					E-mail:				
Store Phone:			Store Fax:			Cell Phone:						
6.Store Hours and Customer Count		Day		Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Average Customer Count:	
		Open										
		Close										

Section B: Business Information

Business Information	1.Legal Name: <small>As appears on form W-9</small>					2.# of Owners: <small>Each owner must complete a separate page</small>				
	3.Business Type:		<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other (Specify): _____			Complete Pages 1, 3, 4, 5 & 6				
			<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership							
	<input type="checkbox"/> Limited Liability Corporation (LLC)									
	<input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> For Profit Corporation									
	4.NC Sales and Use Tax ID:		_____		5.ABC Permit #:					
	6. Federal Tax ID		_____		Please include a copy of a valid Driver's License for all owners. (black and white copy only)					
7.Tradestyle: <small>Circle One Only</small>		01 Supermarket (more than 5 check stands) 02 Grocery Store (5 or less check stands) 03 Convenience Store 04 Convenience Store with Gas Pumps 05 Convenience Store with Gas Pumps & Fast Food		11 Restaurant with Liquor &/or Beer License 12 Restaurant without Liquor License 13 Fast Food 14 Club or Association 21 General Merchandise 31 Home & Auto Supplies		41 Apparel and Accessory Stores 51 Special Events and Locations 59 Tobacco Store 69 Super Store 71 Liquor Store 72 Bar 74 Drug Store 98 General Services 99 Other				
8. This is an optional question (for statistical information only): Is your business minority owned? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please specify: <input type="checkbox"/> African-American <input type="checkbox"/> American-Indian <input type="checkbox"/> Asian-American <input type="checkbox"/> Female <input type="checkbox"/> Hispanic <input type="checkbox"/> Other: _____										

Additional Location Information (if applicable)

Location Information	Store/Location DBA Name:	ABC permit #									
	Store Address:	Physical Address:									
		City:	County:			State:	ZIP:				
	Mailing Address:	Mailing Address:									
		City:	County:			State:	ZIP:				
Store Manager Info:	Store Contact Name:					Contact Phone:					
	Store Phone:				Store Fax:		Cell Phone:				
Store Hours	Day	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	NC Sales & Use Tax ID:		
	Open										
	Close										

Additional Location Information (if applicable)

Location Information	Store/Location DBA Name:	ABC permit #									
	Store Address:	Physical Address:									
		City:	County:			State:	ZIP:				
	Mailing Address:	Mailing Address:									
		City:	County:			State:	ZIP:				
Store Manager Info:	Store Contact Name:					Contact Phone:					
	Store Phone:				Store Fax:		Cell Phone:				
Store Hours	Day	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	NC Sales & Use Tax ID:		
	Open										
	Close										

Additional Location Information (if applicable)

Location Information	Store/Location DBA Name:	ABC permit #									
	Store Address:	Physical Address:									
		City:	County:			State:	ZIP:				
	Mailing Address:	Mailing Address:									
		City:	County:			State:	ZIP:				
Store Manager Info:	Store Contact Name:					Contact Phone:					
	Store Phone:				Store Fax:		Cell Phone:				
Store Hours	Day	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	NC Sales & Use Tax ID:		
	Open										
	Close										

Section C: Owner/Officer Information *Each authorized owner/officer must complete a separate page 3&4

Full Name:							Fingerprints: NCEL will contact if needed.
Date of Birth: mm/dd/yy	--/ /--	SSN:	-----	Company Name And Shares %		<input type="checkbox"/> Male <input type="checkbox"/> Female	
Owner/Officer Contact Info:	Current Home Address:					Years at address:	
	City:		County:		State:	ZIP:	
	If less than 10 years, please provide your previous address below. If more than one, please list on a separate sheet of paper.						
	Home Phone:			Work Phone:			
Cell Phone:		Driver's license #:		E-mail:			

Section D: Background Questionnaire

Background Questionnaire

If you answer "yes" to any of the following questions, provide the information on a separate sheet of paper with your signature and date. Please note that, depending on the circumstances, a "yes" response will not necessarily disqualify you from being approved for a retailer contract. However, failure to disclose or provide accurate response will subject your application for denial.

1. Disclose any convictions of any state or federal law, whether misdemeanor or felony, including any offense relating to gambling activities. Please disclose below or on a separate sheet of paper. **If none, please state "None".**

2. Has the business or any person having financial interest in the business ever had a business or professional Contract from any state, suspended or revoked? Yes No
3. Is the business or any person having financial interest in the business currently awaiting resolution of any violation of the law? Yes No
4. Has the business or any person having financial interest in this business ever been licensed, contracted or authorized in any other state, whether by a governmental agency or business, to conduct any type of gaming or lottery activities? If yes, specify the states, type of activity and dates permitted to conduct this activity?

 Yes No
5. Has the business or any person having financial interest in the business ever filed for bankruptcy, been placed into receivership or filed for court protection from creditors? If so, indicate when, the disposition and details of the situation.

 Yes No
6. Does the business now or has it ever had any financial interest in or received any revenue or compensation from any companies, organizations or businesses involved in gaming or lottery activities or any ownership or vested interest in any equipment being or to be leased, purchased or utilized by the North Carolina Education Lottery or any other state? *See Appendix A for vendor list*

 Yes No

Section E: Investigation Release and Retailer Contract Acceptance

**Form must be signed and notarized*

I hereby authorize the NCEL to request a credit report, conduct a criminal history check, or conduct any other background investigation as may be necessary to process my NCEL Retailer Application. I authorize the NCEL to share any such information, privileged, confidential or otherwise, necessary to consider the application to become a NCEL Retailer. I further consent to allow NCEL to use and share such information in all manners consistent with all applicable laws and necessary to effectuate, administer or enforce all rights, orders and obligations arising out of the relationship between the Retailer Applicant and the NCEL. This release will expire upon the final termination of my Retailer's contractual obligations with the NCEL.

I hereby authorize the NCEL to conduct a thorough credit review from my personal/business credit report upon the submission of my NCEL Retailer Application; the renewal of my Security Deposit; the renewal of my NCEL Retailer Contract; or such other time as deemed appropriate by the NCEL.

I understand and acknowledge that, based upon information from my personal/business credit report, the NCEL will provide me, and all owners/officers of the business, written notice of the credit review result. Such written notice may contain conditional requirements, such as submission of a security deposit, or bank and trade reference information, due to insufficient credit and/or credit denial of any one or more owners/officers of the business. I further understand and acknowledge that the NCEL's written notice will include specific reasons for the conditional requirements and that this information will be sent to all owners/officers who were listed on the Retailer Application including their home addresses.

*Some examples of conditional requirements for approval include but are not limited to: Derogatory Credit, Overextended Credit, Repossessions, Open Bankruptcy, etc. No other specific credit information will be included in the notice.

My signature below further certifies that I have read and agree to abide by all laws and regulations of the NCEL, the NCEL Retailer Contract, Retailer Rules and Regulations and AC outlet requirements for lottery equipment.

I certify that all the retail locations specified herein **are** in compliance with the requirements outlined by Title III of the Americans with Disabilities Act.

I also certify that one or more retail locations specified herein is/**are not** in compliance with the requirements outlined by Title III of the Americans with Disabilities Act and that I will ensure that such location(s) will be in compliance within the period specified by the NCEL. Any retail locations that are not in compliance must be listed on a separate document and attached.

I hereby certify that I am the duly authorized representative of the business applying for a NCEL retailer contract with the power to sign any and all documents, as required by the NCEL, and that I have the authority to bind the business and its affiliates to the terms and conditions of the Retailer Contract, Retailer Rules and Regulations and any other policies and procedures as established by the NCEL.

Authorized Representative Signature: _____ **Date:** _____

Notarial certificate for an acknowledgement: _____ **County,** _____ **(State)**

I certify that the above person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document: _____ (name of principal)

Date: _____

(Official Signature of Notary)

(Printed Notary Public Name)

(OFFICIAL SEAL)

My commission expires: _____

Alice Garland

North Carolina Education Lottery Consent : _____
Alice Garland, NCEL Executive Director

Contract Agreement



Re: "In Trust For The NCEL" Bank Account Verification

Dear Lottery Applicant:

Pursuant to the Lottery Act and your retailer Contract, you are required to establish a dedicated bank account, titled "IN TRUST FOR THE NCEL," to be used exclusively for lottery transactions. If you have not already done so, please modify your current bank account or establish a new bank account exclusively used for lottery transactions with the account name designated as "IN TRUST FOR THE NCEL."

In addition, you must submit a letter on bank letterhead with the routing number, account number and account name for the account that has been established/modified.

By signing below, you certify that you understand your obligation to establish and maintain a dedicated lottery bank account, titled "IN TRUST FOR THE NCEL" which shall be used exclusively for lottery transactions. Furthermore, you agree that you have a fiduciary duty to maintain such an account and to remit all lottery sales proceeds, minus your retailer commission and prizes paid, in such bank account for automatic withdrawal by the NCEL. Your signature below must be witnessed and notarized by a Public Notary. For your convenience, your NCEL Sales Representative is a public notary who can witness and notarize this letter at his/her next visit to your store location.

Sincerely,

Veronica Peninger
Retailer Contracts Manager

I hereby certify that I fully understand that I am required to establish a dedicated bank account, titled "IN TRUST FOR THE NCEL," to be used exclusively for lottery transactions. Furthermore, I agree that I have a fiduciary duty to maintain such an account and to remit all lottery sales proceeds, minus my retailer commission and prizes paid, in such bank account for automatic withdrawal by the NCEL. Failure to comply may subject me to personal liability for any outstanding balance owed to the NCEL.

Owner/Officer's Signature: _____ **Date:** _____

Notarial certificate for an acknowledgement: _____ **County,** _____ **(State)**

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document: _____ (name of Principal/Owner/Officer)

Date: _____

(Official Signature of Notary)

(Printed Notary Public Name)

(OFFICIAL SEAL)

My commission expires: _____

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>	
	<p>2 Business name/disregarded entity name, if different from above</p>	
	<p>3 Check appropriate box for federal tax classification; check only one of the following seven boxes:</p> <p> <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see Instructions) ▶ _____ </p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see Instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.)</p>	<p>Requester's name and address (optional)</p>
	<p>6 City, state, and ZIP code</p>	
	<p>7 List account number(s) here (optional)</p>	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the Instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
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OR								
Employer identification number								
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-	-	-	-					

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out Item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, Item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the Instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China Income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see Exempt payee code earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ²
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ²
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ¹
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.
⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 2.
***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Nota. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

NORTH CAROLINA EDUCATION LOTTERY RETAILER CONTRACT

This Contract is made by and between the North Carolina Education Lottery ("NCEL") and the undersigned Retailer (collectively referred to as "Parties").

For and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. Term. Unless sooner terminated in accordance with the provisions of this Contract, the term of this Contract shall commence upon installation of the lottery terminal and continue for a period of three (3) years.
2. Compensation. The NCEL shall pay Retailer seven percent (7%) of the retail price of tickets or shares sold by Retailer for each lottery game.
3. Duties and Responsibilities of the NCEL. The NCEL and/or its Gaming Vendor(s) will be responsible for the following:
 - a. Installing and maintaining the lottery terminal and other lottery equipment;
 - b. Providing adequate lottery supplies including, but not limited to, paper stock, play slips, pencils, and how-to-play brochures;
 - c. Training Retailer employees at a NCEL designated facility;
 - d. Providing a toll-free Retailer support hotline for equipment repair service and Customer Service;
 - e. Providing marketing and customer assistance to Retailer;
 - f. Bearing the cost of all normal maintenance associated with NCEL-owned equipment, other than costs incurred because of theft, neglect or abuse, whether by the Retailer or a third party, which costs shall be borne by the Retailer; and
 - g. Providing weekly invoices to Retailer that reflect the balance due by the Retailer to the NCEL for the prior week's sales and initiating an EFT from the Retailer's dedicated bank account in satisfaction of said balance via the lottery gaming terminal.
4. Duties and conditions of Retailer. The Retailer shall be responsible for the following:
 - a. Offer all available NCEL games for sale to the public during the Retailer's normal business hours.
 - b. Make NCEL claim forms available to players and provide for the redemption and immediate payment of winning tickets up to five hundred ninety-nine dollars (\$599), during Retailer's normal business hours and subject to NCEL validation hours.
 - c. Make the purchase and redemption of tickets convenient and readily accessible to the public.
 - d. Pay the full prize value of the ticket; or if above \$599, instruct the player to claim at one of the NCEL office.
 - e. Conspicuously display the certificate of authority to sell NCEL tickets. Such certificate is not assignable or transferable.

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- f. Prominently display NCEL issued point-of-sale materials and display ticket dispensers in a prominent location near the cash register, service counter, or checkout; and make every effort to display NCEL-supplied exterior signage in compliance with local ordinances.
- g. Establish a separate bank account dedicated for lottery net proceeds which shall be held "In Trust for the NCEL," in institutions insured by the Federal Deposit Insurance Corporation (FDIC). The dedicated lottery bank account shall be kept separate and apart and not commingled with any other funds or assets.
- h. Make full financial settlement with the NCEL every week via an electronic funds transfer ("EFT") or other recorded financial instrument as authorized by the NCEL (full financial settlement may occur more than once a week, as determined by the NCEL). Ensure that proper funds are timely deposited in the designated lottery trust account for the scheduled EFT transfer. At the time of sale, lottery proceeds minus retailer commission shall be deemed to be the property of the NCEL.
- i. Pay a weekly communication charge of fifteen dollars (\$15) per licensed location.
- j. Pay all assessed fee(s) for any occurrence of insufficient funds ("NSF").
- k. Any security deposit(s) submitted for one or more NCEL licensed locations shall apply to all NCEL licensed locations under the same tax identification number. Therefore, the NCEL may utilize the security deposit(s) for any NCEL licensed locations under the same tax identification number that have an outstanding debt owed to the NCEL. Any irrevocable standby letter of credit and/or Surety Bonds submitted shall include this requirement on the document.
- l. Comply with all provisions of the North Carolina State Lottery Act, N.C.G.S. 18C-101 et seq. ("Act"), including, without limitation:
 - i) Not selling a lottery ticket or share or paying a lottery prize to any person under the age of eighteen (18) years;
 - ii) Not selling or re-selling a lottery ticket or share for more than the retail sales price established by the NCEL;
 - (iii) Not residing in the same household as a member of the NCEL Commission, the Executive Director, or any employee of the NCEL;
 - (iv) Not engaging exclusively in the business of selling lottery tickets or shares or in operating electronic computer terminals or other devices solely for entertainment;
 - (v) Be current in filing all applicable tax returns to the State of North Carolina and in payment of all taxes, interest, and penalties owed to the State, excluding items under formal appeal under applicable statutes; and
 - (vi) Not paying, giving or making any economic opportunity, gift, special discount, favor, hospitality, or service to the Executive Director, to any employee of the NCEL, or to any member of the immediate family residing in the same household as one of these individuals.
- m. Comply with all applicable policies, procedures, rules and regulations adopted from time to time by NCEL under the Act, and all other applicable federal, state and local laws, rules, regulations, ordinances or executive orders, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 1201 et seq. ("ADA"), and all other labor, employment and anti-discrimination laws, and all provisions required thereby to be included herein, are hereby incorporated by reference.

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- n. Work in conjunction with the NCEL Sales staff and other employees, vendors, subcontractors, agents and consultants to establish promotional plans, training schedules, and timetables for terminal installation and ticket deliveries.
- o. Provide an adequate power source(s) to operate any and all gaming terminal(s) and/or associated equipment.
- p. Sell lottery tickets or shares in exchange for only cash, check, debit/check card (as permitted by the issuer), money order or gift card, and not allow the purchase of lottery tickets or shares by credit card (as prohibited by the issuer), food stamps or electronic benefit transfer (EBT) cards.
- q. Not condition the sale of lottery tickets or share upon the purchase of other goods or services or charge any player a fee for the service of validating lottery tickets or paying lottery prizes.
- r. Not discount the value of any game ticket prize by paying less than the full value of the prize or not directing the player to claim a prize greater than \$599 at a NCEL office.
- s. Maintain minimum weekly sales averages, as determined by the NCEL, and communicated to Retailer.
- t. Keep a complete and current set of records accounting for all of its sales of lottery products and provide it for inspection upon request by the NCEL.
- u. Provide NCEL-approved security for all tickets, equipment and NCEL property and immediately report any lost, missing in transit, stolen, damaged, or altered status of the same to the NCEL. Report any stolen tickets or equipment to local law enforcement officials and provide a copy of such report to the NCEL within the time period as established by the NCEL.
- v. Not transferring instant tickets between locations owned by the same retailer nor purchasing tickets from another retailer and reselling the tickets at the retailer location(s) (packs of tickets are assigned to a particular retailer for security and tracking purposes).
- w. Acquire and maintain sufficient property insurance to cover the cost and replacement of any equipment and/or materials provided by the NCEL.
- x. Cooperate fully with any and all inspections and/or investigations conducted by the NCEL as it relates to NCEL business.
- y. Provide the NCEL with at least thirty (30) days advance notice of any change in location, financial status, or ownership structure (any change in ownership interest of 25% or greater ("Substantive Ownership") will require a new NCEL application and associated fees).
- z. NCEL Issued Equipment – Retailer Responsibilities:
 - i) The NCEL grants Retailer the right to utilize any and all future equipment issued by the NCEL and/or its authorized vendor(s) (collectively, "Issued Equipment").
 - ii) Before installation of any Issued Equipment, the Retailer shall provide the appropriate counter, floor and/or wall space (as applicable to the Issued Equipment) in compliance with NCEL requirements.
 - iii) The NCEL or its authorized vendor(s) shall pay all costs necessary to deliver, install and maintain the Issued Equipment, except that Retailer may be responsible for the replacement cost of lost/stolen/damaged/destroyed Issued Equipment.
 - iv) The Retailer agrees that the Issued Equipment shall only be used for its intended purpose. Any violation of this provision shall subject the Retailer to removal of the affected Issued Equipment.

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- v) The Retailer shall be responsible for contacting the NCEL or the service maintenance provider designated by the NCEL for any necessary maintenance to the Issued Equipment.
- vi) The NCEL and/or its authorized vendor(s) will conduct periodic inspections of the Issued Equipment to monitor placement, sales, inventory control and maintenance and the Retailer shall permit such access.
- vii) The Retailer agrees to indemnify and hold the NCEL harmless from any and all damages, losses, and expenses, including reasonable attorney's fees, incurred by the NCEL as a result of the Retailer's use of the Issued Equipment in a manner inconsistent with its intended purpose. The Retailer will not be responsible for any and all damage to person or property, including reasonable attorney's fees, incurred by Retailer as a result of Retailer's use of the Issued Equipment or arising from defects of the Issued Equipment, provided that such damages do not arise from Retailer's negligence or gross misconduct.
- viii) If the Retailer is in breach of any provision of this Retailer Contract, NCEL rules and regulations, and/or the North Carolina State Lottery Act, the NCEL may terminate the Retailer Contract and/or immediately remove any one or more Issued Equipment from the Retailer's premises without notice or hearing. Additionally, the NCEL may terminate the Retailer Contract and/or remove any one or more Issued Equipment from the Retailer's premises without notice or hearing if the NCEL's agreement with the applicable Issued Equipment vendor(s) is/are terminated or amended.

Retailer may not sell, subcontract or otherwise assign its duties or obligations under this Contract in whole or in part, without the prior written consent of NCEL. Any attempted assignment not in accordance herewith shall be null and void and of no force and effect.

- 5. Intellectual Property. Retailer has a limited non-exclusive license for the sole purpose of using, reproducing, distributing, transmitting and publicly displaying NCEL logos subject to the following limitations:
 - a. Retailer will not use NCEL's name, logos or images as a part of or in connection with any commercial advertising or signage not provided by the NCEL without the prior written consent of the Executive Director or his/her designee(s) in each instance.
 - b. Retailer is strictly prohibited from utilizing any licensed property as printed on tickets, point-of-sale materials, advertising, etc., other than those provided by the NCEL for those purposes.
- 6. Representations and Warranties. Retailer hereby represents and warrants to NCEL as follows:
 - a. Retailer is duly organized, validly existing and in good standing under the laws of North Carolina, and shall, at all times throughout the term of the Contract, remain qualified to do business in North Carolina and current in the payment of applicable North Carolina income taxes.
 - b. Retailer is responsible for notifying the NCEL of any state or federal law, whether misdemeanor or felony, including any offense relating to gambling activities.
 - c. Retailer has the full power, authority, ability and legal right to execute this Contract and to perform its obligations hereunder, and the execution of this Contract and the performance of its obligations hereunder have been duly authorized by all necessary action of Retailer. In addition, the designated representative who signed this Contract has the authority to sign any and all documents as required by the NCEL and shall bind the Retailer to the terms thereof.
 - d. The sale of the lottery tickets or shares shall constitute a trust fund until paid to the NCEL either directly or through the NCEL's authorized collection representative. Retailer and any officers of Retailer's business shall have a fiduciary duty to preserve and account for lottery net proceeds and may be deemed personally liable for all proceeds. Proceeds shall include unsold instant tickets received by Retailer and cash proceeds of the sale of any NCEL products, net of allowable sales commissions and credit for lottery prizes paid to winners.

NCEL Retailer Application

- e. Only NCEL-supplied or NCEL-approved products will be affixed to or loaded into dispensers or placed on equipment. The NCEL may remove and/or replace the equipment, products, and supplies at any time, with or without cause.
- f. Retailer is an independent contractor licensed by the NCEL strictly to sell approved lottery game tickets. As such, the Retailer's action and/or inaction associated with its business shall not be imputed on the NCEL, the State of North Carolina, or their Commissioners, officers, employees, vendors and agents.

7. Termination.

- a. Notwithstanding anything herein to the contrary, NCEL may immediately suspend, cancel, or terminate this Contract if Retailer:
 - i) Violates any provision of the Act or other governing laws, including, without limitation, repeated sales to minors or noncompliance with the ADA;
 - ii) Breaches any provision of this Contract, including, without limitation, repeated NSF's or a change in Substantive Ownership;
 - iii) Breaches any provision of the NCEL's policies, procedures, rules and regulations as may be adopted and amended from time to time;
 - iv) Is convicted of any state or federal law, whether misdemeanor or felony, including any offense relating to gambling activities; and/or
 - v) Fails to notify the NCEL in writing of any arrest, charge, and/or any state or federal law, whether misdemeanor or felony, including any offense relating to gambling activities within ten (10) business days of arrest, charge, or conviction.
- b. Upon cancellation of the Retailer's license and/or termination of this Contract, the Retailer shall permit the NCEL representative(s) and/or Vendor to retrieve and remove any and all equipment and/or materials issued by the NCEL.

8. Indemnification. Retailer agrees to indemnify, defend and hold harmless the NCEL, the State of North Carolina, or their Commissioners, Executive Directors, officers, employees, vendors and agents ("Indemnitees"), against any and all suits, damages, expenses (including, without limitation, court costs, attorneys' fees and other damages), losses, liabilities and claims of any kind, caused by or resulting from any breach of this Contract or any other act or omission of Retailer or any of its agents or employees, whether the same may be the result of negligence, responsibility under strict liability standards, any other substandard conduct or otherwise. Retailer also agrees to indemnify, defend and hold harmless the Indemnitees for any claim(s) for lost profit or revenue, regardless of the reason for any interruption, suspension, failure of, or defects in the operation or design of the NCEL games, equipment, products or systems.

9. Conflict Resolution Procedures. Prior to bringing any judicial enforcement action with respect to any claims or controversies arising in connection with the performance of this Contract, Retailer shall pursue and exhaust any and all remedies available to it in accordance with the dispute resolution procedures adopted by NCEL, as amended from time to time.

10. Notices. All notices and statements provided for or required by this Contract shall be in writing, and shall be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national overnight courier service as follows:

North Carolina Education Lottery
2100 Yonkers Road
Raleigh, North Carolina 27604
Attn: Retailer Contracts Department

NCEL Retailer Application

11. Miscellaneous.

- a. Retailer's status as a licensed NCEL Retailer shall be subject to the approval of the NCEL and the completion of all background investigations required by the Act and the rules and regulations of the NCEL.
- b. The execution, delivery and performance of this Contract will not cause or result in a breach of or default under any other agreement, contract or understanding to which Retailer is a party.
- c. This Contract shall be governed by and construed in accordance with the laws of the State of North Carolina, and any cause of action arising hereunder must be brought in a state court located in Wake County, North Carolina.
- d. If any provision of this Contract shall be held void, voidable, invalid or inoperative, no other provision of this Contract shall be affected as a result thereof, and accordingly, the remaining provisions of this Contract shall remain in full force and effect as though such void, voidable, invalid or inoperative provision had not been contained herein.

This Contract contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto. No waiver, termination or discharge of this Contract, or any of the terms or provisions hereof, shall be binding upon either party hereto unless confirmed in writing. This Contract may not be modified or amended, except by a writing executed by both parties hereto. No waiver by either party hereto of any term or provision of this Contract or of any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

Signature page accepting terms and conditions of this Retailer Contract is located on page 4 of the Retailer Application

Ownership Entities and W-9 Guide

Sample W-9: See the W-9 Instructions for each Respective Ownership Entity listed below. Check off matching ownership type for the check appropriate box.

Form W-9 (Rev. August 2013) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give Form to the requester. Do not send to the IRS.																				
Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)																					
	Business name/disregarded entity name, if different from above																					
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____		Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____																			
	Address (number, street, and apt. or suite no.)		Requester's name and address (optional)																			
	City, state, and ZIP code																					
	List account number(s) here (optional)																					
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.																						
		Social security number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; height: 20px;"></td> </tr> </table>																				
		Employer identification number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30px; height: 20px;"></td> </tr> </table>																				



Individual/Sole Proprietorship: A business organization that is unincorporated and has only one owner.

- W-9 Instructions:**
- Name (as shown on your income tax return) - Owner's Name
 - Business name, if different from above - DBA Name (Store name)
 - Taxpayer Identification Number (TIN) - Social Security Number
- Or**
- Employer Identification Number (**But Only One**)



General Partnership: A partnership in which each of the partners is liable for all of the firm's debts, and the actions of one partner are binding on each of the other partners.

- W-9 Instructions:**
- Name (as shown on your income tax return) - Owner's Name
- Or**
- Partnership Name
 - Business name, if different from above - DBA Name (Store name)
 - Taxpayer Identification Number (TIN) - Social Security Number
- Or**
- Employer Identification Number (**But Only One**)



Limited Liability Partnership- LLP: A partnership in which some of the partners have a limited liability to the firm's creditors.

- W-9 Instructions:**
- Name (as shown on your income tax return) - Tax Name
 - Business name, if different from above - DBA Name (Store name)
 - Taxpayer Identification Number (TIN) - Employer Identification Number
- (Only)**



For Profit Corporation: A legal entity that is separate and distinct from its owners which is established or operated with the intention of making a profit. Corporations enjoy most of the rights and responsibilities that an individual possesses that is, a corporation has the right to enter into contracts, loan and borrow money, sue and be sued, hire employees, own assets and pay taxes.

W-9 Instructions:

Name (as shown on your income tax return)	-	Tax Name
Business name, if different from above	-	DBA Name (Store name)
Taxpayer Identification Number (TIN)	-	Employer Identification Number (Only)

- **C Corporation:** The profit of a corporation is taxed to the corporation when earned, and then is taxed to the shareholders when distributed as dividends. This creates a double tax. The corporation does not get a tax deduction when it distributes dividends to shareholders. Shareholders cannot deduct any loss of the corporation.
- **S Corporation:** S corporations are corporations that elect to pass corporate income, losses, deductions and credit through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on the corporate income. ***(If granted S Corp status, the Retailer/Retailer Applicant will have received a Notice CP261 from the IRS)***
- **Limited Liability Company – LLC:** A corporate structure whereby the shareholders of the company have a limited liability to the company's actions (hybrid between a partnership and a corporation).



Nonprofit Corporation: is a corporation whose primary objective is something other than the generation of profit. **(Please note if a Non-Profit does make 20% or more from lottery sales they may lose their Non-Profit status).**

W-9 Instructions:

Name (as shown on your income tax return)	-	Tax Name
Business name, if different from above	-	DBA Name (Store name)
Taxpayer Identification Number (TIN)	-	Employer Identification Number (Only)



Helpful Tools:

- Refer to the Business Applicant’s Certificate of Registration or Merchant’s Certificate
- Please note that a W-9 must reflect the information that reconciles with the IRS TIN Match

AUTHORITY FOR RELEASE OF INFORMATION
National Record Check

I authorize the North Carolina Department of Justice through the State Bureau of Investigation, Criminal Information and Identification Section to perform a fingerprint search of the State's criminal history record file and a fingerprint search of the Federal Bureau of Investigation's file for a national criminal history record check in connection with my application for lottery with the North Carolina Education Lottery pursuant to N.C.G.S. 114-19.16 and 18C-114

(Type or Print LEGIBLY or will be returned)

Last Name	First	Middle	Maiden
_____	_____	_____	_____
Social Security Number	Date of Birth	Sex	Race
_____	_____	_____	_____

I understand that the North Carolina State Bureau of Investigation, Criminal Information and Identification Section, and its officials and employees shall not be held legally accountable in any way for providing this information to the above agency, and I hereby release said agency and persons from any and all liability which may be incurred as a result of furnishing such information. I further understand that the above named agency cannot provide a **hard copy** of the results of this criminal history record check to me.

Applicant's Signature

Date

This request form must be kept on file at the agency for one year. The fingerprint card and transmittal letter from the Authorized Official requesting Criminal History Record Information must be mailed to:

North Carolina Education Lottery
Attn: Retailer Contracts Department
2100 Yonkers Road
Raleigh, NC 27604

BUSINESS STRUCTURES

Business structures accepted for retailer contract:

- *Corporations (C or S Corporations)
- *Sole Proprietorships
- *Limited Liability Company
- *Partnerships

All business entities must provide:

- *Application
- *W-9 and taxpayer identification number
- *Application fee

Each business structure must also provide additional documents. Please refer to the list below that applies to your business structure.

Corporation

- Articles of Incorporation*
- Notice CP261 for S Corporation (must provide a copy along with W-9)
- All current officers/owners of the corporation must complete Pages 3 & 4 of the application.
- Purchase Agreement and Bill of Sale, or Lease/Rental Agreement

Limited Liability Company (LLC)

- Articles of Organization or Certificate of LLC*
- Each current manager or member must complete Page 3 & 4 of the application.
- Purchase Agreement and Bill of Sale, or Lease/Rental Agreement

Partnership

- Certificate of Partnership or Partnership Agreement
- Each current partner must complete Page 3 & 4 of the application.
- Purchase Agreement and Bill of Sale, or Lease/Rental Agreement

Sole Proprietorship

- The sole proprietor must complete Page 3 & 4 of the application.
- Purchase Agreement and Bill of Sale, or Lease/Rental Agreement

*** These required documents *must* be obtained by contacting the North Carolina's Secretary of State's Office. You may call (919) 807-2000 or visit their website at <http://www.secretary.state.nc.us/Corporations/Corp>**

All applicants must provide the Purchase Agreement and Bill of Sale, or Lease/Rental Agreement

Appendix A:

**NORTH CAROLINA EDUCATION LOTTERY
MAJOR VENDORS**

IGT Corporation

Scientific Games International
MDI Entertainment, LLC

Mullen

WRAL-TV: Channel 5, Raleigh

WLOS-TV: Channel 13, Asheville

WITN-TV: Channel 7, Greenville, New Bern & Washington

WGHP: Fox8, The Triad

WAXN: TV64, Charlotte

Sunshine Electronics Display Corp.

Smartplay International, Inc.

Thomas & Gibbs, CPAs, PLLC

Symago, LLC

Pollard Banknote

Admart/Identity Group