

# **VIRGINIA LOTTERY LICENSING and INVESTIGATIONS DIVISION**



## **PROCEDURES MANUAL for INSTITUTIONAL INVESTOR WAIVER APPLIANTS**

The Virginia Lottery (the "Department") intends to provide applicants with guidance on using the Department's online application process to complete your online application prior to submitting it to the Department for the appropriate due diligence.

## GENERAL INFORMATION

This procedures manual is a reference guide for institutional investors applying for a waiver from qualification with the Virginia Lottery.

### DEFINITION:

An "Institutional Investor" has been defined as:

1. A retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees;
2. An investment company registered under the Investment Company Act of 1940;
3. A collective investment trust organized by banks under Part 9 of the rules of the Comptroller of the Currency;
4. A closed end investment trust;
5. A chartered or licensed life insurance company;
6. A property and casualty insurance company;
7. A banking or other chartered or licensed lending institution;
8. An investment advisor registered under the Investment Advisors Act of 1940; or
9. Any other person registered in any foreign jurisdiction and regulated in accordance with a statute of any foreign jurisdiction that the board determines to be substantially similar to that regulated by the Investment Company Act of 1940 or the Investment Advisors Act of 1940.

### APPROVAL:

1. An institutional investor that holds or proposes to hold an ownership interest in a facility or supplier that would require a background investigation may request the director to waive the requirement of conducting a full background investigation of the institutional investor.
2. The Board may approve the institutional investor's request for a waiver if it satisfactorily completes and submits an institutional investor waiver application as required by the department.
3. An entity for which the director has approved a waiver request is an approved institutional investor.
4. An institutional investor can maintain its approved status by:
  - a. Maintaining an ownership interest in an applicant, licensee, or permit holder; and
  - b. Providing the department with the statement of ownership percentage it reported to the Securities and Exchange Commission:
    - (1) Annually, before the last day of April; or
    - (2) As otherwise directed by the department.
5. If an approved institutional investor complies with subdivision AA 4, the department's approval is valid for five years from the date of approval, and:
  - a. The waiver may apply to one or more applicants, licensees, or permit holders in which the entity is an institutional investor; and
  - b. The institutional investor shall submit an institutional waiver application every five years from the date of the department's last approval.

6. If an approved institutional investor does not meet the requirements of subdivision AA 4 with respect to one or more applicants, licensees, or permit holders:
- a. The approved institutional investor shall notify the department in writing if the institutional investor's ownership interest falls below five percent; and
  - b. The department may require the institutional investor to submit a new waiver application if the institutional investor acquires an ownership interest of five percent or greater in any applicant, licensee, or permit holder.

The account representative will also provide the applicant with the following documents that are required to be notarized and returned for the account representative to upload to the online application: **Authorization for Release of Information** and **Affidavit of Representative of Applicant**. These documents can also be found on pages 6 and 7 of this manual.

Once an application and all required supporting documents have been submitted, these items will become the property of the Department and will not be returned to the applicant. Applicants will not be able to make any changes to their applications within the automated system once the application has been submitted. The account representative will provide each applicant with the URL to access the online application system as well as a temporary password and username to sign in and begin the application process.

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## ESTABLISHING SYSTEM ACCESS for APPLICANT REPRESENTATIVE

To establish an account within the Virginia Lottery's online application system as an Applicant Representative, you must contact our Gaming Licensing and Investigations Division at [gaminglicensing@VALOTTERY.COM](mailto:gaminglicensing@VALOTTERY.COM) or (804) 692- 7165 during normal business hours. You will be required to provide the name of the applicant company you will be submitting applications on behalf of, your full name, and contact information.

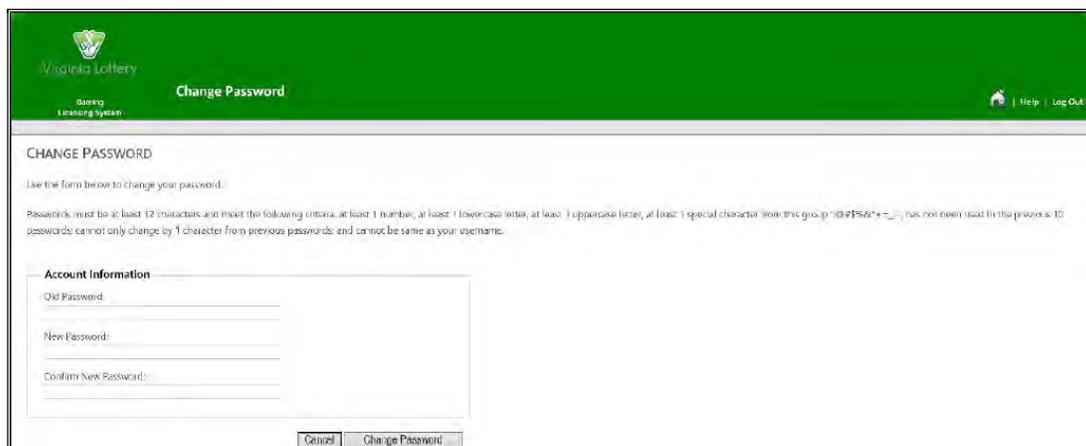
Once your user account has been set up, you will be provided with the URL and credentials to access the online application portal. After accessing the portal, you will need to:

- Enter your username in the appropriate field;
- Enter the temporary password provided to you:



The screenshot shows the login page of the Virginia Lottery Gaming Licensing System. The page has a green header with the Virginia Lottery logo and the text "Gaming Licensing System". Below the header, there is a "LOG IN" section. A message reads: "Please enter your username and password or click [HERE](#) to complete a LiveScan Registration Form." There are three input fields: "Username", "Password", and a checkbox labeled "Keep me logged in". A "Log In" button is located below the input fields.

- You will then be prompted to change your password by first entering the temporary password before entering your new password. Your new password must be 12 or more characters containing all the following: special character(s), alphabetical character(s), numerical character(s), upper case letter(s), **and** lowercase letter(s):



The screenshot shows the "Change Password" page of the Virginia Lottery Gaming Licensing System. The page has a green header with the Virginia Lottery logo and the text "Gaming Licensing System". Below the header, there is a "CHANGE PASSWORD" section. A message reads: "Use the form below to change your password." Below this, there is a detailed password requirement notice: "Passwords must be at least 12 characters and meet the following criteria: at least 1 number, at least 1 lowercase letter, at least 1 uppercase letter, at least 1 special character (from the group: !@#\$%^&\* \_-+=), has not been used in the previous 10 passwords, cannot only change by 1 character from previous passwords, and cannot be same as your username." There are three input fields: "Old Password", "New Password", and "Confirm New Password". "Cancel" and "Change Password" buttons are located at the bottom of the form.

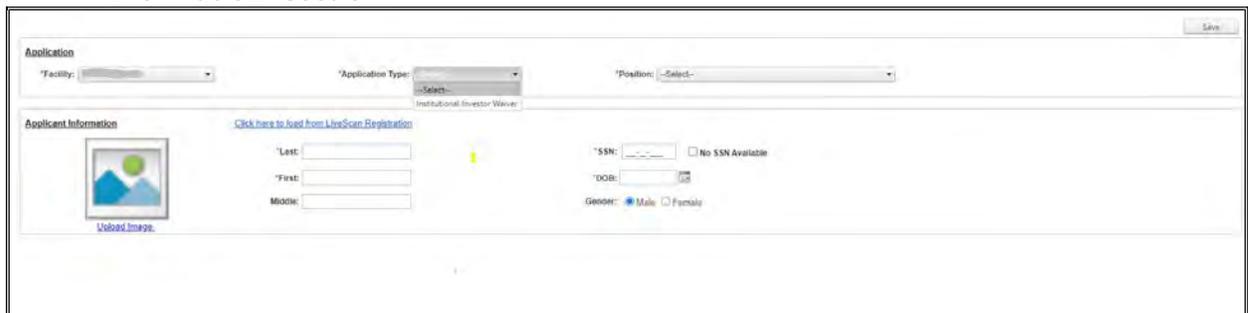
- You are now set up and will be able to access and use the system as an Applicant Representative.

## THE APPLICATION PROCESS

1. After accessing the online application system online portal, you will need to create the Institutional Investor application account to complete the online application exhibits. After signing in using your “Account Representative” credentials, hover over “Applicant” in to tool bar and select “Create New Applicant” from the “Applicant” tab drop down:

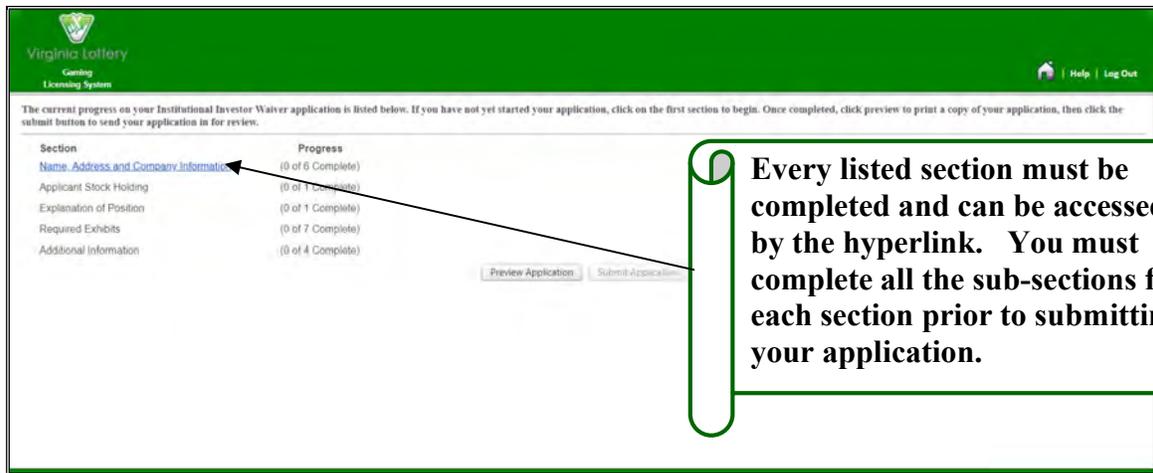


2. On the applicant screen you will need to:
  - Select the “Institutional Investor Waiver” from the “application type” drop down;
  - The designee completing the form must enter their information in the “Application Information” section:



3. Be sure to use the Save button to save the information
4. You will then click the assigned “Applicant ID” hyperlink to access the below screen. Here you can generate or reset the temporary password needed to sign-in and complete the online application.
5. After signing in, you will be prompted to change the temporary password. Read the “Acknowledgement and Disclosure” form and click the button to acknowledge that you understand and agree to the terms within. You will not be able to proceed without acknowledging that you understand.

6. You will then be able to start entering information into your application. You must complete **every** section of the application prior to be able to submit it:

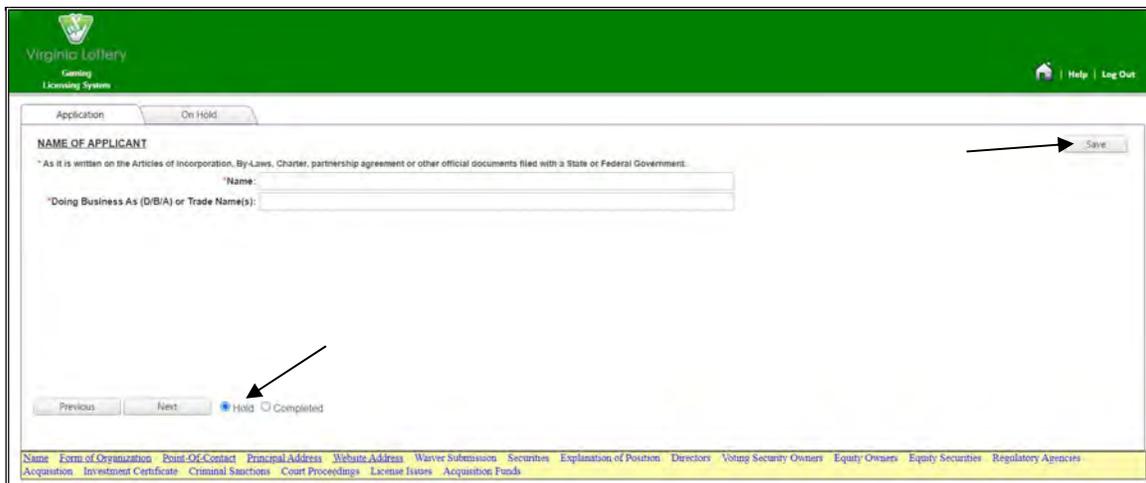


The screenshot shows the Virginia Lottery Gaming Licensing System interface. At the top, there is a green header with the Virginia Lottery logo and the text "Gaming Licensing System". Below the header, a message states: "The current progress on your Institutional Investor Waiver application is listed below. If you have not yet started your application, click on the first section to begin. Once completed, click preview to print a copy of your application, then click the submit button to send your application in for review." A table lists the sections and their progress:

Section	Progress
<a href="#">Name, Address and Company Information</a>	(0 of 6 Complete)
Applicant Stock Holding	(0 of 1 Complete)
Explanation of Position	(0 of 1 Complete)
Required Exhibits	(0 of 7 Complete)
Additional Information	(0 of 4 Complete)

At the bottom of the table, there are two buttons: "Preview Application" and "Submit Application". A callout box on the right side of the screenshot contains the text: "Every listed section must be completed and can be accessed by the hyperlink. You must complete all the sub-sections for each section prior to submitting your application." An arrow points from the callout box to the "Name, Address and Company Information" section in the table.

7. Simply follow the instructions when entering your information for each section. Use the "hold" button if you wish to complete the section later and you'll be able to proceed to another section to complete. Be sure to save any data you enter first. Each required sub-section to complete is listed in the yellow field at the bottom of the page.



The screenshot shows the Virginia Lottery Gaming Licensing System interface for the "NAME OF APPLICANT" section. The header is green with the Virginia Lottery logo and the text "Gaming Licensing System". Below the header, there are two tabs: "Application" and "On Hold". The "NAME OF APPLICANT" section is displayed with the following text: "NAME OF APPLICANT", "As it is written on the Articles of Incorporation, By-Laws, Charter, partnership agreement or other official documents filed with a State or Federal Government.", "Name:", and "Doing Business As (D/B/A) or Trade Name(s):". There are two input fields for the name and D/B/A information. A "Save" button is located at the top right of the section. At the bottom of the section, there are four buttons: "Previous", "Next", "Hold", and "Completed". The "Hold" button is selected. A callout box on the right side of the screenshot contains the text: "Every listed section must be completed and can be accessed by the hyperlink. You must complete all the sub-sections for each section prior to submitting your application." An arrow points from the callout box to the "Hold" button. At the bottom of the page, there is a yellow field containing a list of links: "Name", "Form of Organization", "Point Of Contact", "Principal Address", "Website Address", "Waiver Submission", "Securities", "Explanation of Position", "Directors", "Voting Security Owners", "Equity Owners", "Equity Securities", "Regulatory Agencies", "Acquisition", "Investment Certificate", "Criminal Sanctions", "Court Proceedings", "License Issues", "Acquisition Funds".

8. Once you've completed each section you will be able to preview the application prior to submitting it. Be sure your information is accurate and complete as you will not be able to make changes within the automated system once you submit it. You will be able to print a copy of your application for your records.

Virginia Lottery  
Gaming  
Licensing System

The current progress on your Institutional Investor Waiver application is listed below. If you have not yet started your application, click on the first section to begin. Once completed, click the submit button to send your application in for review.

Section	Progress
<a href="#">Name, Address and Company Information</a>	(6 of 6 Complete) ✓
<a href="#">Applicant Stock Holding</a>	(1 of 1 Complete) ✓
<a href="#">Explanation of Position</a>	(1 of 1 Complete) ✓
<a href="#">Required Exhibits</a>	(7 of 7 Complete) ✓
<a href="#">Additional Information</a>	(4 of 4 Complete) ✓

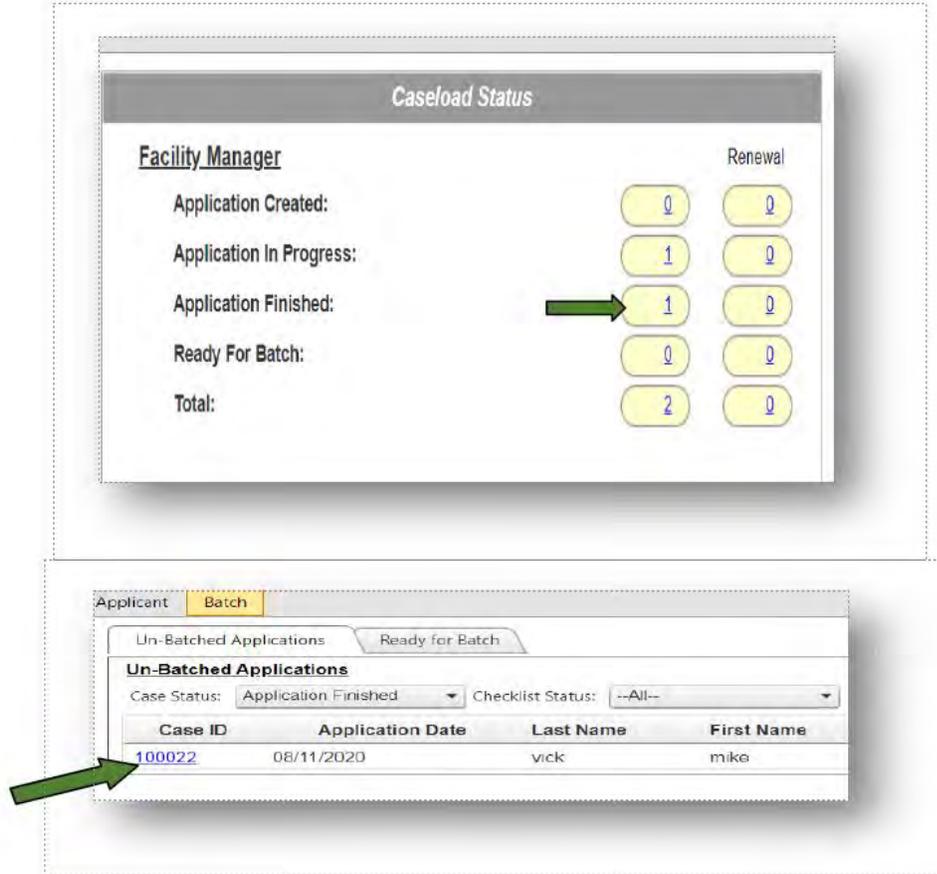
Each section will have a check mark indicator once all subsections are completed.

You can preview and print your application before submitting it.

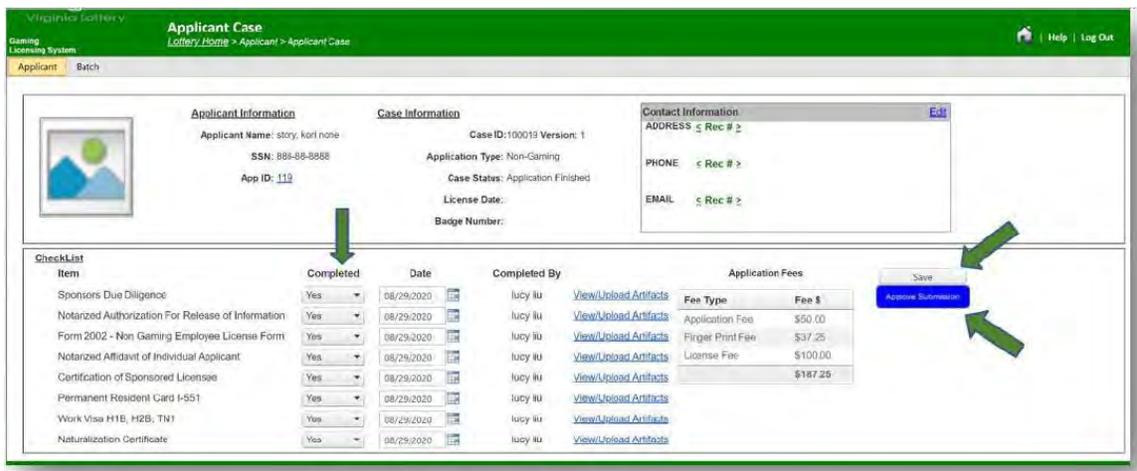
7. Copies of the required documents will need to be uploaded from the separate “Account Representative” access before completing the complete application submission / batching process.

## THE BATCHING PROCESS

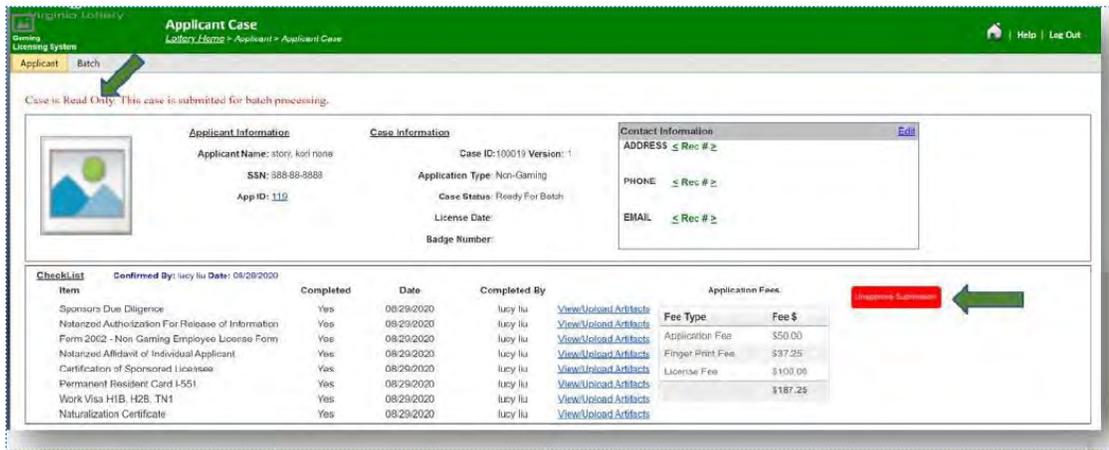
From the dashboard, click the number / hyperlink for “Application Finished” to access applications to be batched. Under the “Un-Batched Applications” tab click on the applicant’s Case ID number:



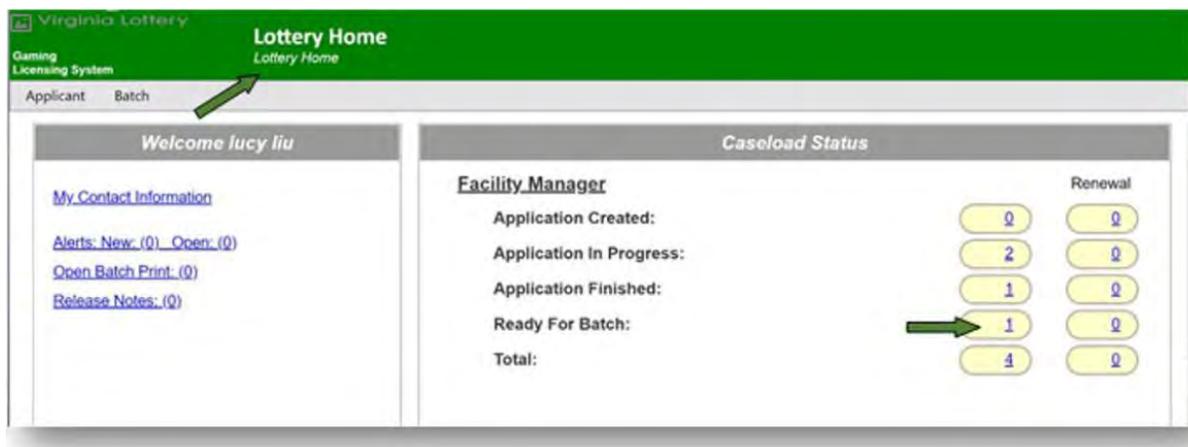
At this time, you will upload all the required supporting documents. Enter the date that the specific document type was uploaded and select that it was completed. Click “Save” after completing each upload and once all documents have all been uploaded, click the “Approve Submission” button:



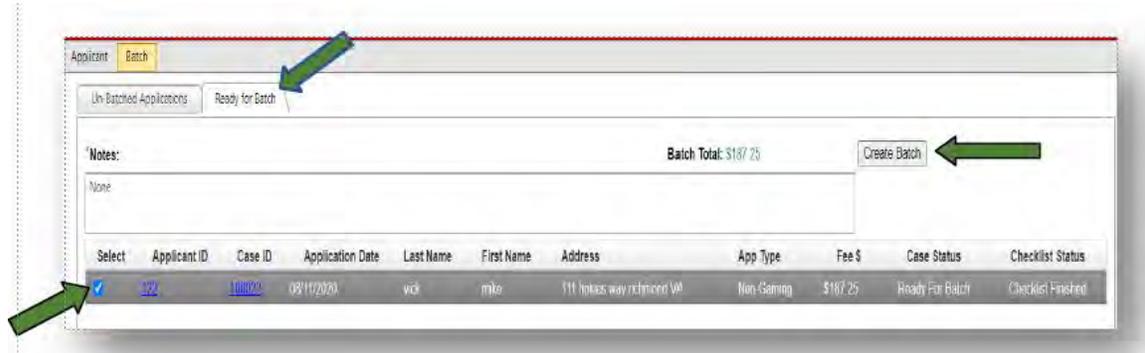
You will know that you have successfully approved the submission when you get the message indicating, “Cases Read Only”. If you need to rescind the submission to make corrections or modifications, you can click the “unapproved submission” button. After you submit the case, it is ready to complete the batching process:



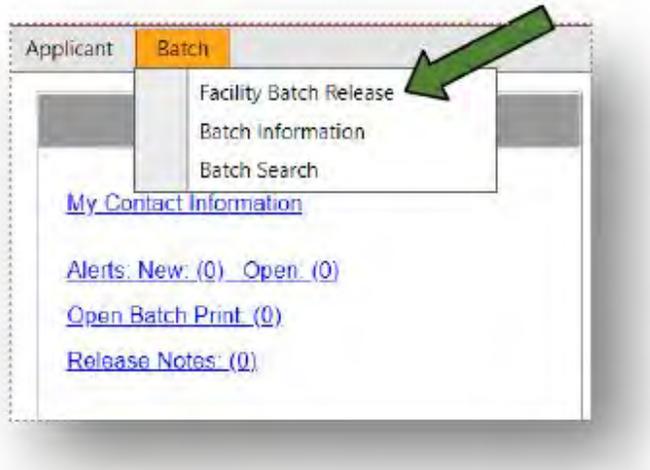
Click on “Lottery Home” to access the dashboard and then click the “Ready to Batch” hyperlink:



Click on the “Ready for Batch” sub-tab and then select the applicant. Then add notes before clicking the “Create Batch” button:



From the “Batch” tab select “Facility Batch Release” from the dropdown:



Then select the Batch number for the application(s) to be released, enter the date of the release, and complete the “authorization” field by typing in your initials before clicking the “Release” button: Wire the funds to the Virginia Lottery.



At that time the waiver application will be forwarded to the Virginia Lottery for the vetting process.



**AUTHORIZATION FOR RELEASE OF INFORMATION**

**TO:** \_\_\_\_\_

**FROM:** \_\_\_\_\_  
(Printed Name of Applicant Entity)

I am the authorized representative of the above applicant seeking an institutional investor waiver in the Commonwealth of Virginia.

The Virginia Lottery (“Department”) is required by law to conduct a background investigation to determine if an institutional investor applicant should be approved for a waiver from qualification. That investigation requires the Department to collect and evaluate information about the entity that I represent. On behalf of the entity, I irrevocably give consent to the Department, and persons authorized by the Department, to: (1) verify all information provided in the license application documents; (2) conduct a background investigation of the entity; and to have access to any and all information that the entity has provided to any other jurisdiction seeking a similar license in that jurisdiction, as well as the information obtained by that other jurisdiction during the course of any investigation that it may have conducted about the entity.

By executing this Authorization, I authorize any of the following entities to release to the Department any and all information about the entity that the Department requests: local, State or federal government unit; commercial or business enterprise; non-profit entity; individual; or any other public or private entity. The requested information may be released in written, verbal, electronic, or any other form.

With respect to any claims or liability arising from the release of the requested information to the Department, on behalf of the entity, I expressly waive, release, discharge and forever hold harmless and agree to indemnify, the unit, entity, or individual that releases information to the Department under the authority of this Authorization. Photo, facsimile, or electronic copy of this signed and dated Authorization shall be equally effective as an original.

\_\_\_\_\_  
Signature of Individual Completing Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**NOTARY PUBLIC**

The undersigned, a Notary Public in and for the County of \_\_\_\_\_, in the State of \_\_\_\_\_, certifies that the above-named individual appeared in person, and before me, either known to me or satisfactorily proven to be the individual whose name subscribed to the within instrument and signed the Authorization and Notification.

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and to which witness my hand and seal.

\_\_\_\_\_  
Notary Public

**Stamp or Seal**

\_\_\_\_\_  
Printed Name

My commission expires \_\_\_\_\_, 20\_\_\_\_



**AFFIDAVIT OF REPRESENTATIVE OF APPLICANT**

I, \_\_\_\_\_ (printed name), am authorized to complete and execute this application for a waiver as an institutional investor on behalf of \_\_\_\_\_ (printed name of applicant). I am also authorized to provide all of the information requested as part of this application to the Virginia Lottery, its employees, agents, and vendors (collectively, "the Department"), and to make the representations set forth in this Affidavit.

I have read, and understand, every page of this Application. To the best of my knowledge, information, and belief, the information that I have provided as part of this application is accurate, complete, and not misleading. I understand that any misrepresentation or omission of material information may lead to the delay or denial of an application for a waiver. I understand that any misrepresentation or omission of material information on this application may also subject me, or the applicant that I represent, to civil or criminal liability. I understand and acknowledge that the applicant has an ongoing duty to promptly notify the Department if any information it provides the Department changes.

By a separate Authorization for Release of Information, I am authorizing any entity or individual that has information about the applicant that I represent, to release that information to the Department for purposes of its investigation of an applicant for an institutional investor waiver.

On behalf of the applicant and its successors and assigns, I expressly waive, release, discharge, and forever hold harmless and agree to indemnify, the Department, the Commonwealth of Virginia, and their employees, agents, and representatives, from liability for any and all claims or legal action arising from any actions that the Department or the Commonwealth of Virginia may take related to the collection of information from the applicant and the use of that information in connection with investigating the applicant.

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINTED NAME OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
TITLE

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**NOTARY PUBLIC**

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The undersigned, a Notary Public in and for the County of \_\_\_\_\_, in the State of \_\_\_\_\_, certifies that the above-named individual appeared in person, and before me, either known to me or satisfactorily proven to be the individual whose name subscribed to the within instrument and signed the Authorization and Notification.

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and to which witness my hand and seal.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

**Stamp or Seal**

My commission expires \_\_\_\_\_, 20\_\_\_\_

## REQUIRED DOCUMENTS for INSTITUTIONAL INVESTOR APPLICANTS

- Securities;
- Summary of how the applicant meets definition of “Institutional Investor” and qualifies for a waiver;
- A list of the names, social security numbers, tax identification numbers, titles, addresses, and telephone numbers of all of the Institutional Investor's officers, directors or their equivalent, and any other person that has direct control over, or the power to direct or control, the investment securities;
- The names, social security numbers, tax identification numbers, titles, addresses, and telephone numbers of each person or entity who has a greater than 5% interest in the Institutional Investor's voting securities (5% if the Institutional Investor is publicly traded);
- A list of all the Institutional Investor's affiliates that have a greater than 5% interest in the Institutional Investor;
- A list of all equity securities of the person in which the Institutional Investor has acquired an interest subject to this waiver application that are, or were, directly or indirectly, beneficially owned by the Institutional Investor or its affiliates within the preceding one-year period. This list must set forth a description of the securities, amount of the securities, and the date of the acquisition or sale, or both;
- A list of all regulatory agencies with which the Institutional Investor or any affiliate files periodic reports and the point-of-contact information for each of these agencies;
- A copy of any filing under 15 USC § 18a with respect to the acquisition or proposed acquisition;
- A current certificate from any regulatory agency related to the conduct of the Institutional Investor's activities, certifying that the Institutional Investor is authorized to conduct the investment activities and is in good standing;
- State whether the Institutional Investor, its affiliates, or any current officer or director, or any former officer or director whose tenure ended within the preceding 12 months, has been subject to criminal charges or regulatory sanctions imposed during the preceding 10 years. Regarding any former officers or directors, such information must be provided only to the extent that it relates to criminal charges or regulatory sanctions imposed during such person's tenure with the Institutional Investor or its affiliates;
- State whether there have been any administrative or court proceedings filed by any regulatory agency during the preceding five years against the Institutional Investor, its affiliates, and any current officer or director, or any former officer or director whose tenure ended within the preceding 12 months. As to a former officer or director, such information must be provided only to the extent that it relates to actions arising during such person's tenure with the Institutional Investor or its affiliates;
- State whether the Applicant has ever had a gaming license denied, restricted, suspended, revoked, or not renewed by any gaming jurisdiction;
- State whether the Institutional Investor obtained funds from another source for purposes of financing the acquisition of the securities involved in this transaction. If so, identify the source and amount of funds;