



**NOTICE**  
**CLASS B COIN OPERATED AMUSEMENT MACHINE**  
**MASTER LICENSE AUCTION**

**INTRODUCTION**

Pursuant to O.C.G.A. 50-27-73 (e), the Georgia Lottery Corporation (GLC) may issue Class B Master Coin Operated Amusement Machine (“COAM”) Licenses (“Master Licenses”) through a process of competitive auction to be established by GLC and such competitive auction shall occur at least once every three (3) years effective July 1, 2015. Any person or entity that held a valid Class B Master License as of July 1, 2015 and continues to hold such license shall not be subject to the competitive auction process.

This informational notice (“Notice”) describes and governs the Class B Master License auction that shall occur on **May 3, 2017**.

**BACKGROUND**

In 2013, Georgia House Bill 487, codified as Article 3 of the Georgia for Lottery Education Act (the “Act”), transferred responsibility for regulatory administration and enforcement of the operation of COAMs to GLC. O.C.G.A. §50-27-70, et. al.

Pursuant to O.C.G.A. §50-27-70 (in pertinent part), a bona fide COAM means every machine of any kind or character used by the public to provide amusement or entertainment whose operation requires the payment of or the insertion of a coin, bill, other money, token, ticket, card, or similar object and the result of whose operation depends in whole or in part upon the skill of the player. COAMs are categorized as either Class A or Class B.

This Notice relates to the auction of a Class B Master License.

No Class B Master Licensee shall have an interest in any location licensee. No Class B Location Licensee shall have an interest in any person or immediate family member of a Master Licensee.

For more information about the COAM industry, visit our website at [www.gacoam.com](http://www.gacoam.com).

**AUCTION DATE**

The auction shall take place at 250 Williams Street, Atlanta, Georgia in the auditorium located on the street level of the building on **May 3, 2017 at 10:30 a.m.**

**GLC or its representative shall auction up to five (5) Class B Master Licenses.** Each Master License that is available for bid at the auction has no COAMs, locations, or equipment associated with the license.

**SCHEDULE**

The following dates are established for informational and planning purposes. GLC reserves the ability to change any dates:

| Description   | Date  |
|---|---|
| Prospective Bidder Questions Due  | March 23, 2017 by 4:00 p.m. EST   |
| GLC Responses to Questions  | March 30, 2017  |
| Pre-Qualification Auction Participation Form(s) and Proof of Fund Letter(s) Due | April 6, 2017 by 4:00 p.m. EST  |
| GLC Notifies Pre-Qualified Bidders  | April 20, 2017  |
| AUCTION   | May 3, 2017   |
| Bid Payment Due Via Wire Transfer   | May 10, 2017  |
| Online Application Submission   | Within ten (10) business days of receiving Activation key number letter |
| Effective Date of License   | July 1, 2017  |

**PROSPECTIVE BIDDER QUESTIONS**

Any prospective bidder with questions or inquiries related to the auction may submit such questions or inquiries to GLC by **March 23, 2017 at 4:00 p.m. EST** via email to [COAMReporting@galottery.org](mailto:COAMReporting@galottery.org) and include “Auction Questions” in the subject line. Questions sent by fax or communicated via telephone are not acceptable.

Any bidder submitting a question or inquiry must identify himself or herself in such submission. GLC will publish answers to questions timely received at [www.gacoam.com](http://www.gacoam.com) (under the “Documents” submenu and then under the “Communications” heading) on or before March 30, 2017. GLC responses to questions will not identify the person or entity that asked the questions.

**MINIMUM QUALIFICATIONS**

Pre-qualification is required to participate in the auction.

Any person or entity wishing to participate in the auction must be approved by GLC to be a bidder for any Class B Master License available at the auction. To be considered for qualification as a bidder at the auction, a person or entity must submit the following documents:

- COAM Pre-Qualification Auction Participation Form (Exhibit A)
- Proof of Funds Letter (Exhibit B)

**SUCH ORIGINAL INFORMATION MUST BE RECEIVED AT GLC LOCATED AT 250 WILLIAMS STREET, SUITE 3000, ATLANTA, GEORGIA 30303, ATTENTION: CAMILLE STOKES, BY APRIL 6, 2017 at 4:00 p.m. EST.** Any incomplete pre-qualification information or any pre-qualification information received after such date and time may not be considered, at the discretion of GLC.

### **PRE-QUALIFICATION AND AMENDMENTS**

Each owner or officer of a prospective bidder that will have an interest in the Master License business (should the bidder be granted a COAM Master License) must be listed on the Pre-Qualification Auction Participation Form. If any owner or officer is ineligible for a COAM license and disqualified from participating in the auction, the other owners or officers within the bidding group will also be disqualified from participating in the auction.

Each bidding group must designate a primary electronic mail (e-mail) address on the Pre-Qualification Auction Participation Form. GLC will rely on such e-mail address to communicate with the bidding group.

Proof of Funds Letter must be completed by each prospective bidding group. If a prospective bidder has more than one (1) account that it wishes to reference to demonstrate its maximum bid capacity, the prospective bidder may submit more than one (1) Proof of Funds Letter to GLC. If seeking to purchase more than one Master License at the auction, the Proof of Funds Letter amount is cumulative for all winning bids at the auction.

### **DISQUALIFICATION OF A PROSPECTIVE BIDDER**

Any incorrect or false information submitted to GLC may result in a denial of a prospective bidder to participate in the auction. Any incomplete or untimely information submitted to GLC may result in a denial of a prospective bidder to participate in the auction. Any previous determination by GLC or by Executive Order that found a prospective bidder is unsuitable to hold a COAM license or be a Lottery Retailer may result in a denial of a prospective bidder to participate in the auction. GLC will conduct a criminal history background check on each owner or officer that is listed on the Pre-Qualification Auction Participation Form. If any owner or officer is ineligible for a COAM license, he or she may be disqualified from participating in the auction. If an owner or officer within a bidding group is disqualified from participating in the auction, any other owners or officers within the bidding group will also be disqualified from participating in the auction.

GLC, in its sole discretion, reserves the right to determine whether a prospective bidder meets the pre-qualification requirements described in this Notice.

### **PERMISSIBLE CONTACTS**

Below is the point of contact email address with regard to matters relating to the auction described in this document, unless additional points of contact are designated by GLC in writing. Any inquiries, questions or comments relating to the auction must be submitted to:

COAMReporting@galottery.org and include "Auction" in the subject line.

Any prospective bidder should not rely on any answers to questions or comments concerning the auction if not communicated by GLC in writing.

### **PROSPECTIVE BIDDER DUE DILIGENCE**

GLC strongly encourages any prospective bidder, to review COAM related laws and rules before bidding at the auction.

### **ACKNOWLEDGEMENT OF CONDITIONS**

By submitting a Pre-Qualification Auction Participation Form and by bidding, the bidder acknowledges and agrees to abide by the provisions of this Notice and COAM related laws and rules.

### **AUCTION PROCESS**

- **Auction Attendance**
  - Based on the capacity of the facility, each owner or officer of a bidding group shall be admitted to the auction. At least one owner or officer of the bidding group must be present at the auction to bid.
  - Each bidder group may also bring one guest (1 guest per group).
- **Auction Check-In**
  - Each owner or officer present for the auction must check in prior to the commencement of the auction.
  - Check in will begin at 9:00 a.m. and end at 10:00 a.m.
  - Any bidder not present and checked in by 10:00 a.m. will not be allowed to bid.
  - Each owner or officer of a bidding group must bring a government issued form of identification.
  - Each bidding group must bring the Pre-Qualification Approval letter sent to the bidding group by GLC.
  - GLC will issue bidder numbers at check in. A bidder number is required to participate in the auction. One bidder number will be issued per bidding group.
- **Bid Increments**
  - Bids shall only increase by increments of \$10,000 with a minimum starting bid of \$100,000 per Master License.
- **Winning Bid**
  - A winning bid is not transferable to any other bidder or party other than the person or entity that made such winning bid.
  - Any bidder that bids more than the maximum amount provided in its Proof of Funds Letter may be disqualified from winning a license. Any winning bid is subject to verification. If any winning bid is disqualified on the day of the auction, GLC may hold another auction to re-bid such license.
  - Bid amount does not include a \$5,000 licensing fee and the cost of permit stickers that are due upon submission of a license application to GLC.

- After the auction is finalized, GLC will provide the winning bidder or bidders with directions to establish an online account through gacoam.com and instructions to wire the winning bid amount to GLC within five (5) business days of the auction. After payment of the winning bid amount is received, GLC will provide the winning bidder with a unique verification key to allow such bidder to submit a Class B Master License application online at gacoam.com within ten (10) business days of receiving such key.
- **Bidder Conduct**
  - Any bidder that disrupts or otherwise attempts to improperly influence the auction process may be disqualified from participating in the auction or future auctions held by GLC.
- **Refunds**
  - A license applicant may receive a refund of any bid amount or fees paid to GLC if the applicant is denied a Class B Master License less an administrative cost as provided in O.C.G.A. § 50-27-72.

#### **NON-COLLUSIVE BIDDING REQUIREMENT**

Each officer or owner of a bidding group by submitting a Pre-Qualification Auction Participation Form, warrants that it is independently participating in the auction without collusion aimed at restricting competition.

#### **CLARIFICATION PROCESS**

GLC may request clarification from a prospective bidder or bidder for the purpose of resolving ambiguities or questioning information. GLC may request clarifications at any time throughout the auction process. Clarification responses shall be in writing. Responses shall be submitted to GLC within the time specified at the time of the request.

#### **WITHDRAW FROM PARTICIPATION**

If at any time prior to the auction date, a bidding group wishes to no longer participate in the auction, it may inform GLC in writing of such withdrawal.

#### **GLC RESERVED AUTHORITY**

In addition to any authority stated elsewhere in this Notice, GLC reserves the authority to:

- Waive any informality or technical defect if in GLC's judgment the best interest of the State will be so served;
- Eliminate any non-material specification that cannot be complied with by any of the prospective bidders;
- Amend this Notice and direct prospective bidders to submit pre-qualification information modifications accordingly;
- Change any of the scheduled dates herein;

- Reject any or all pre-qualification information received in response to this Notice and re-issue a modified version of this Notice;
- Withdraw this Notice at any time, in its sole discretion;
- Seeks clarifications and revisions to any pre-qualification information;
- Disqualify any prospective bidder or bidder whose conduct fails to conform to the requirements of this Notice;
- Set aside a winning bid or bidder if it is determined that the offeror is non-responsible or unsuitable. GLC may then award a license to the responsible bidder with the next highest bid amount;
- Set aside a winning bid or bidder if the bidder fails to meet the dates or time frames provided in this Notice or is otherwise unsuccessful in finalizing licensing requirements within a time frame acceptable to GLC with such time frame being determined solely by GLC based on the best interests of the State. GLC may then award a license to the responsible bidder with the next highest bid amount.

### **AUCTION NOTICE EXHIBITS**

#### **EXHIBIT A**

COAM Pre-Qualification Auction Participation Form

#### **EXHIBIT B**

Proof of Funds Letter

**EXHIBIT A**

**COAM PRE-QUALIFICATION AUCTION PARTICIPATION FORM**

GEORGIA LOTTERY CORPORATION • P.O. Box 56927 • Atlanta, GA 30343 • 1-800-746-8546 • OPTION #4 • Retailer Contracts Administration



|  |  |      |        |              |            |                              |           |
|--|--|------|--------|--------------|------------|------------------------------|-----------|
| <b>OWNER/PARTNER/SHAREHOLDER</b>   | <b>Instructions:</b><br>Each owner, partner, and shareholder that will have an interest in the Master License business must complete the Owner/Partner/Shareholder section of the COAM Pre-Qualification Form. |      |        |              |            | <b>FOR GLC USE ONLY</b>      |           |
|  |  |      |        |              |            | <b>BIDDER NO.:</b>           |           |
|  | First, Middle & Last Name of Owner or Principal  |      |        |              |            | % of Ownership               |           |
|  | Business E-mail <input type="checkbox"/> Check Box if this is the Primary E-mail for Communication   |      |        | Phone Number |            | Social Security Number       |           |
|  | Business Address (Street Number, Street Name, Suite Number)  |      |        |              |            |                              |           |
|  | City   |      |        | State        |            | Zip Code                     |           |
| Date of Birth  |  | Race | Height | Weight       | Hair Color | Eye Color                    |           |
| <b>CONSENT AND AUTHORIZATION FOR RELEASE OF PERSONAL BACKGROUND INFORMATION</b>  |  |      |        |              |            |                              |           |
| I hereby certify that the information contained on this form or otherwise submitted by me to the Georgia Lottery Corporation ("GLC") in connection with this Pre-Qualification application to become a Bona Fide Coin Operated Amusement Machine (COAM) licensee is true and correct in every respect. I understand, agree and consent that GLC may make any and all investigations of my criminal history record information for qualification of the Applicant as a bidder in any auction for a Master License. I hereby authorize GLC to conduct a criminal background investigation as may be necessary to process my application. I authorize GLC to share any such information, privileged, confidential or otherwise, necessary to consider this application in any and all manners consistent with all applicable laws. A photocopy of this release will be valid as an original thereof, even though said photocopy does not contain an original writing of my signature. This release will expire upon the final termination of the Applicant's participation as a bidder for a Master License. I further understand and acknowledge that providing inaccurate or misleading information is grounds for rejection of this Pre-Qualification application and may subject the Applicant and me to the penalties set forth in the Georgia Lottery for Education Act, O.C.G.A. §50-27-1, et seq. |  |      |        |              |            |                              |           |
| Signature: _____   |  |      |        | Date: _____  |            |                              |           |
| <b>NOTARY</b>  | State of: _____  |      |        |              |            | County of: _____             |           |
|  | Sworn to and subscribed before me this _____ (Day) of _____ (Month) _____ (Year)   |      |        |              |            |                              |           |
|  | Notary Public Seal and Signature: _____  |      |        |              |            | My Commission Expires: _____ |           |
|  | Personal identification must be presented to and verified by Notary Public: ID Type: _____ ID No.: _____   |      |        |              |            |                              |           |
| <b>OWNER/PARTNER/SHAREHOLDER</b>   | First, Middle & Last Name of Owner or Principal  |      |        |              |            | % of Ownership               |           |
|  | Business E-mail <input type="checkbox"/> Check Box if this is the Primary E-mail for Communication   |      |        | Phone Number |            | Social Security Number       |           |
|  | Business Address (Street Number, Street Name, Suite Number)  |      |        |              |            |                              |           |
|  | City   |      |        | State        |            | Zip Code                     |           |
|  | Date of Birth  |      | Race   | Height       | Weight     | Hair Color                   | Eye Color |
|  | <b>CONSENT AND AUTHORIZATION FOR RELEASE OF PERSONAL BACKGROUND INFORMATION</b>  |      |        |              |            |                              |           |
| I hereby certify that the information contained on this form or otherwise submitted by me to the Georgia Lottery Corporation ("GLC") in connection with this Pre-Qualification application to become a Bona Fide Coin Operated Amusement Machine (COAM) licensee is true and correct in every respect. I understand, agree and consent that GLC may make any and all investigations of my criminal history record information for qualification of the Applicant as a bidder in any auction for a Master License. I hereby authorize GLC to conduct a criminal background investigation as may be necessary to process my application. I authorize GLC to share any such information, privileged, confidential or otherwise, necessary to consider this application in any and all manners consistent with all applicable laws. A photocopy of this release will be valid as an original thereof, even though said photocopy does not contain an original writing of my signature. This release will expire upon the final termination of the Applicant's participation as a bidder for a Master License. I further understand and acknowledge that providing inaccurate or misleading information is grounds for rejection of this Pre-Qualification application and may subject the Applicant and me to the penalties set forth in the Georgia Lottery for Education Act, O.C.G.A. §50-27-1, et seq. |  |      |        |              |            |                              |           |
| Signature: _____   |  |      |        | Date: _____  |            |                              |           |
| <b>NOTARY</b>  | State of: _____  |      |        |              |            | County of: _____             |           |
|  | Sworn to and subscribed before me this _____ (Day) of _____ (Month) _____ (Year)   |      |        |              |            |                              |           |
|  | Notary Public Seal and Signature: _____  |      |        |              |            | My Commission Expires: _____ |           |
|  | Personal identification must be presented to and verified by Notary Public: ID Type: _____ ID No.: _____   |      |        |              |            |                              |           |

EXHIBIT B

FOR GLC USE ONLY

BIDDER NO.:



COIN OPERATED AMUSEMENT MACHINE BANK PROOF OF FUNDS LETTER

Date: \_\_\_\_\_

To: Georgia Lottery Corporation
Coin Operated Amusement Machine (COAM) Division
250 Williams Street
Suite 3000
Atlanta, GA 30303

Georgia Lottery Corporation/COAM Division:

As of today, \_\_\_\_\_ (Bidder/Entity's Name) has an available
balance of \$ \_\_\_\_\_ (Balance). This letter will serve as notification that
\_\_\_\_\_ (Bidder/Entity's Name) bank account has the ability to
wire from account number \_\_\_\_\_ (Account Number) to cover a purchase of up to
\$ \_\_\_\_\_ (Bid Limit). This Bank Proof of Funds Letter is only applicable to
bidder registration with the Georgia Lottery Corp., for a COAM Class B Master License Auction. If further information is
needed, please contact this bank office at \_\_\_\_\_ (Phone Number of Bank Officer) and
if I am not available, please contact \_\_\_\_\_ (Name of Alternative Bank Personnel) at
\_\_\_\_\_ (Phone Number).

Sincerely,

(Bank Officer's Signature)

(Title)

(Printed Name)

(Phone Number)

NOTARY section with fields for State of, County of, Sworn to and subscribed before me on this, Notary Public Seal and Signature, My Commission Expires, Personal identification must be presented to and verified by Notary Public. ID Type, ID No.