

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between Agnew-Shinabarger Post No. 307 American Legion, Incorporated (“Post #307”), located at 107 1st St., Pioneer, OH 43554, and the Attorney General of Ohio (“Attorney General”), for the purpose of resolving issues regarding Post #307’s charitable bingo operations. Together, the Attorney General and Post #307 are referred to hereinafter as “the parties.”

1. The Attorney General is responsible for the administration and enforcement of Ohio Revised Code Section 2915 (“ORC 2915 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the state of Ohio.
2. The Attorney General is responsible for the enforcement of Ohio Revised Code Section 1716 (“ORC 1716 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which requires, among other things, that every charitable organization, unless exempt, who intends to solicit contributions in this state by any means or have contributions solicited in this state on its behalf by any person or entity, prior to engaging in any solicitation, shall file a registration statement and other documentation with the Attorney General.
3. The Attorney General is responsible for the enforcement of Ohio Revised Code Section 109 (“ORC 109.23-33”), and the Ohio Administrative Code rules adopted thereunder, and, in particular, ORC 109.24, which reads, “[t]he Attorney General shall institute and prosecute a proper action to enforce the performance of any charitable trust and to restrain the abuse of it”.
4. The Attorney General has authority to refuse to grant a charitable bingo license to an organization, may revoke or suspend the organization’s license, or may place limits, restrictions, or probationary conditions on the organization’s license for a limited or indefinite period.
5. Post #307 is a 501(c)(19) tax exempt organization with the Internal Revenue Service (“IRS”). Post #307 is registered with the Attorney General as required under ORC Sections 1716 and 109.
6. Post #307 was first issued bingo license no. 0429-27 in 2003 and, for 2024, Post #307 was licensed to play Type I Traditional Bingo, Type II Paper and Electronic Instant Bingo conducted at a bingo session, and Type III Paper and Electronic Instant Bingo conducted other than at a bingo session.
7. On or about December 13, 2024, Post #307 filed a 2025 bingo license renewal application seeking a license to conduct Type I Traditional Bingo, Type II Paper and Electronic Instant Bingo conducted at a bingo session, and Type III Paper and Electronic Instant Bingo conducted other than at a bingo session. The Office has not yet issued a Charitable Bingo License for Post #307 for 2025.
8. On April 3, 2024, a complaint was received by the Ohio Attorney General’s Office which alleged that a violation of Ohio law had been committed and a subsequent investigation

yielded information which supports and confirms that a violation has been committed, to wit:

9. On or about April 2, 2024, a patron of Post 307 witnessed two young children (one female – approximately 6-7 years of age, and one male – approximately 8 years of age) playing the electronic bingo machines.
10. The children were playing with the knowledge of two Post #307 bartenders working at that time, including their mother, Brittany Harden.
11. The Office regards the foregoing conduct as violating ORC 2915.14(B)(7), which provides that “no charitable organization that conducts electronic instant bingo shall ... permit any person the charitable organization knows, or should have known, to be under eighteen years of age to play electronic instant bingo”.
12. The Office regards the foregoing conduct as a breach of fiduciary duties under ORC 109.23, ORC 1716.17, and common law.

NOW THEREFORE, in consideration of the mutual promises herein expressed, and with intent to be legally bound, the parties agree as follows:

- A. Post 307 will pay the Attorney General’s Office \$2,000 in civil penalties (the “Civil Penalty Amount”).
- B. Post 307 agrees that the Civil Penalty Amount shall come exclusively from Post #307’s general operating account by check, cashier’s check, or money order payable to Treasurer, State of Ohio and mailed to:

Ohio Attorney General, Charitable Law Section
Finance Department – CL
30 East Broad Street, 25th Floor
Columbus, Ohio 43215
RE: Post 307 Settlement/Charitable Law

The funds will be deposited into the charitable law fund established under ORC 109.32.

- C. If Post #307 fails to comply with the payment requirements above, the Attorney General shall certify the unpaid balance of the payment to the Ohio Attorney General’s Collections Enforcement Section (“Collections”) for collection. In the event of certification, Post 307 agrees to pay additional collection costs assessed by Collections in accordance with Ohio Revised Code Section 131.02(A) equal to the amounts charged pursuant to Ohio Revised Code Sections 109.08 and 109.081 for the cost of certification and the use of Special Counsel for the collection of the debt. Interest shall also be charged upon certification in accordance with Ohio Revised Code Section 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General’s discretion to pursue any other available remedy.

- D. Post 307 will agree that persons under the age of eighteen (18) will never play bingo of any type, including Type III electronic instant bingo, on its premises ever again.
- E. All Post #307 Board Members shall complete the Office's Charitable University within 90 days of the date this SETTLEMENT AGREEMENT is executed, and provide evidence of completion to the Office. The individuals completing Charitable University shall include those identified on Post #307's most recent bingo license application or as modified.
- F. All Post #307 Board Members and bingo volunteers shall complete the Office's Bingo School within 180 days of the date this SETTLEMENT AGREEMENT is executed, and provide evidence of completion to the Office. The individuals completing bingo school shall be those identified on Post #307's most recent bingo license application or as modified. Although attendance at Bingo School is free, participants must register in advance <https://charitable.ohioago.gov/Charitable-Webinars> or by calling (614) 466-3180.
- G. Post #307 and all Board Members would agree to cooperate with any future investigation conducted by the Office related to Post #307 or persons and entities involved with Post #307.
- H. If Post #307 fails to comply with the resolution delineated above, such actions could result in rejection of Bingo License no. 0429-27 and/or the Office pursuing other corrective action, including, but not limited to, civil litigation. Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy.
- I. Post #307 agrees to comply with all state and federal laws relating to charitable gaming, and to fully cooperate with all state and federal authorities conducting investigations of Post #307's charitable gaming operations.
- J. Post #307 agrees to comply with the requirements of ORC 2915 *et seq.*, and any Ohio Administrative Code rules adopted thereunder.
- K. Post #307 agrees to comply with the requirements of ORC 1716 *et seq.* (the Ohio Charitable Organizations Act), and any Ohio Administrative Code rules adopted thereunder.
- L. Post #307 agrees to comply with the requirements of ORC 109.23-109.33 (the Charitable Trust Act), and any Ohio Administrative Code rules adopted thereunder.
- M. The Attorney General will issue Post #307 its Bingo License for 2025 and will not consider the facts giving rise to this SETTLEMENT AGREEMENT when issuing charitable bingo licenses to Post #307 in the future unless Post #307 fails to comply with any provision of this SETTLEMENT AGREEMENT. In that event, the Attorney General may consider the facts giving rise to this SETTLEMENT AGREEMENT when determining whether to issue or deny future bingo licenses to Post #307 and may move to revoke, suspend, deny, place limitations or probationary terms on Post #307's Charitable Bingo License or application based on those facts.
- N. Post #307 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of Post #307's violation of the applicable laws related to

charitable gaming, ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-109.33, or any Ohio Administrative Code rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General.

- O. This SETTLEMENT AGREEMENT is binding upon the parties, any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates. Any breach of this SETTLEMENT AGREEMENT by Post #307 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge Post #307 from any obligation it has under this SETTLEMENT AGREEMENT.
- P. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of Post #307 and to initiate an action against Post #307 for further violations of ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-33, or any Ohio Administrative Code rules adopted thereunder.
- Q. This SETTLEMENT AGREEMENT may be modified in writing by the parties. Modifications are at the sole discretion of the Attorney General.
- R. The parties have read and understand this SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel.
- S. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties.
- T. This SETTLEMENT AGREEMENT is a limit, restriction, or probationary condition on Post #307's charitable bingo license.
- U. This SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. It shall be considered binding and effective upon the date of the last signature of all requisite parties and individuals.

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The parties to this SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

Post #307

Toby Schmunk Date ~~#~~ 1-5-25

By: Toby Schmunk (Print Name)

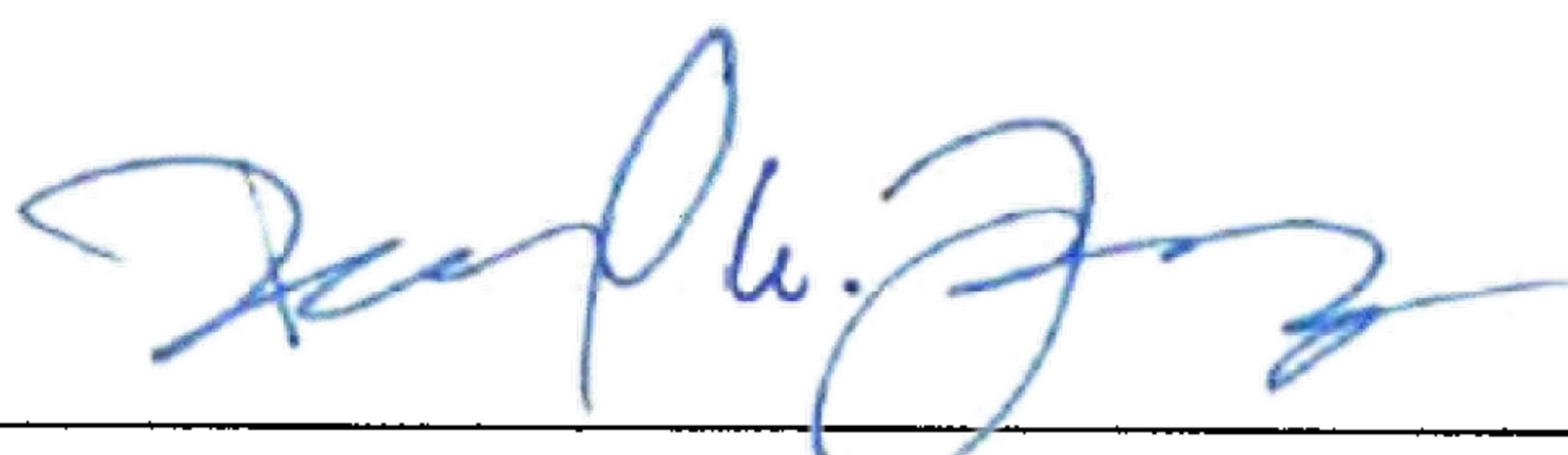
Its: Trustee (Organizational Title)

Harold Votaw Date 1-5-25

By: HAROLD VOTAW (Print Name)

Its: Trustee (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By:  Date 01/14/25
Daniel W. Fausey
Section Chief, Charitable Law Section