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SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between Scarbrough American Legion Post No. 243 ("AL #243"), located at 118 South Market St. Galion, Ohio 44833 and the Attorney General of Ohio ("Attorney General"), for the purpose of resolving issues regarding AL #243's charitable bingo operations. Together, the Attorney General and AL #243 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 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. AL #243 is a 501(c)(19) tax exempt organization with the Internal Revenue Service ("IRS"). AL #243 is registered with the Attorney General as required under ORC Sections 1716 and 109.
6. Since 2022, AL #243 held a Type III paper and electronic instant bingo license #0204-27 until December 31, 2025.
7. On January 15, 2026, AL #243 submitted a 2026 Type III paper and electronic instant bingo license application. That application is currently pending awaiting disposition of a Notice of Intent served on April 15, 2026.
8. On February 10, 2026 the Attorney General issued an adjudication order to formally reject AL #243's 2025 bingo application. The order was properly served on the organization without a subsequent request to appeal.
9. The Attorney General conducted annual financial inspections of AL #243 for the bingo fiscal years of 2024-2025.
10. During the bingo fiscal year 2024, AL #243 had deposit shortages in their bingo checking accounts totaling \$25,981.

11. During the bingo fiscal year 2025, AL #243 had charitable distribution arrearages in the amount of \$23,945.70 and deposit shortages in their bingo checking accounts totaling \$39,230.
12. AL #243 failed to follow regulatory requirements for depositing electronic instant bingo funds pursuant to O.A.C. 109:1-5-21.
13. AL #243 failed to file complete and timely quarterly reports for 2024-2025.

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

- A. AL #243 shall pay a total of **\$23,945.70** to their contracted charity in twelve (12) monthly installments. The payments shall begin on July 1, 2026, with a final payment due on June 1, 2027. These payments shall be paid from the Post's general operating account as follows:

July 1, 2026 through December 1, 2026	\$1,500
January 1, 2027 through March 1, 2027	\$2,000
April 1, 2027 through June 1, 2027	\$2,981.90

AL #243 must write in the "memo" line of the check if it should be credited towards 2025 distribution arrearages. If this notation is not made and the funds are applied to satisfy the current annual distributions, it could result in a violation of this agreement.

A copy of this executed agreement will be sent to American Legion Department of Ohio Charities, 60 Big Run Road, Delaware, Ohio 43015.

AL #243 may pay off the balance of the distribution shortages at any time without penalty.

- B. AL #243 shall pay a **\$5,000** Civil Penalty upon execution of this SETTLEMENT AGREEMENT. The Attorney General agrees to STAY **\$3,000** of the Civil Penalty Amount upon compliance with the terms of this SETTLEMENT AGREEMENT. The Attorney General has sole authority to determine whether AL #243 has fully complied with this SETTLEMENT AGREEMENT. Should the Attorney General determine that AL #243 has failed to comply with this SETTLEMENT AGREEMENT, the Civil Penalty Amount shall be payable upon demand.
- C. AL #243 agrees that the **\$2,000** Civil Penalty amount shall be paid from the Post's general operating account by check, cashier's check, money order, or wire transfer (for wire transfer please contact CharitableFundsAccounting@OhioAGO.gov), payable to **"Treasurer of the State of Ohio"** as Custodian for the Ohio Attorney General and mailed to:

Ohio Attorney General
 Charitable Law Section
 30 East Broad Street, 25th Floor
 Columbus, Ohio 43215
 RE: American Legion #243

Civil Penalty amounts shall be deposited in accordance with R.C. 109.112 into the AGO Court Order and Settlement Fund for transfer, upon the Attorney General's request, to the Charitable Law Fund established under R.C. 109.32;

- D. If AL #243 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, AL #243 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;

- E. AL #243 agrees that while it is paying off the distribution shortages noted in paragraph A, it will continue to make all current bingo fiscal year charitable distributions required under Ohio law pursuant to their current charitable contract(s);
- F. AL #243 agrees to timely submit quarterly reports by uploading all requested information to the Charitable Account Management Portal located at:
<https://charitableportal.ohioago.gov>. The filing deadlines for the Quarterly Reports are posted on the Attorney General's website located at:
<https://charitable.ohioago.gov/Charitable-Bingo/Electronic-Instant-Bingo>.
- G. AL #243 agrees that all individuals listed on the "People" section of the 2026 bingo application shall complete the Attorney General's Bingo School and Charitable University by December 31, 2026. This mandate includes all Bingo Records Custodians, Bingo Volunteers, and Instant Bingo Game Operators. To attend Bingo School, you must first register at: <https://charitable.ohioago.gov/Charitable-Bingo/Register-for-Bingo-Training>. Charitable University is a webinar offered at:
<https://charitable.ohioago.gov/Charitable-University>. If individuals required to complete these educational requirements have already completed any of these trainings within two (2) months prior to this agreement, they will not be required to participate again, provided they can supply proof of attendance.
- H. AL #243 agrees that if it fails to comply with requirements in Paragraph A through G above, it will surrender its Charitable Bingo License and/or Charitable Bingo Temporary License to the Attorney General as well as request, in writing, the withdrawal of any Charitable Bingo License Applications it has pending or refrain from initiating an application for the next bingo license year;
- I. AL #243 agrees to keep all information on their bingo application updated and accurate.
- J. AL #243 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 AL #243's charitable gaming operations;
- K. AL #243 agrees to comply with the requirements of ORC 2915 *et seq.*, and any Ohio Administrative Code rules adopted thereunder;
- L. AL #243 agrees to comply with the requirements of ORC 1716 *et seq.* (the Ohio Charitable Organizations Act), and any Ohio Administrative Code rules adopted thereunder;
- M. AL #243 agrees to comply with the requirements of ORC 109.23-109.33 (the Charitable Trust Act), and any Ohio Administrative Code rules adopted thereunder;
- N. Within seven (7) business days following the execution of this SETTLEMENT AGREEMENT, the Attorney General agrees to issue AL #243 a 2026 Type III paper and electronic instant bingo license. By executing this agreement, AL #243 affirms that it has complied with all statutory requirements necessary for the Attorney General's Office to issue the requested bingo license;
- O. AL #243 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of AL #243'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;
- P. 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 AL #243 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge AL #243 from any obligation it has under this

SETTLEMENT AGREEMENT;

Q. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of AL #243 and to initiate an action against AL #243 for further violations of ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-33, or any Ohio Administrative Code rules adopted thereunder;

R. This SETTLEMENT AGREEMENT may be modified in writing by the parties. Modifications are at the sole discretion of the Attorney General;

S. 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;

T. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties; and

U. This SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts, email 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.

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:

Scarborough American Legion Post No. 243

Alan Forry Signature Date 4/29/26

By: ALAN FORRY (Print Name)
POST COMMANDER (Organizational Title)

Dennis Doerflin Signature Date 4/29/26

By: DENNIS DOERFLIN (Print Name)
POST FINANCE OFFICER (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By: [Signature] Date 5/9/26
Daniel W. Fausey
Section Chief, Charitable Law Section