

## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between Professional Gaming Services, LLC (“Professional Gaming Services”), located at 35350 Chester Rd., Avon, Ohio 44011, William Gallagher, located at 31912 Fieldstone Circle, Avon Lake, OH 44012, Martin Gallagher, located at 31905 Woodside Circle, Avon Lake, OH 44012, and the Attorney General of Ohio (“Attorney General”), for the purpose of resolving issues regarding Professional Gaming Services’ bingo distributor operations. The Attorney General and Professional Gaming Services are collectively referred to as “the Parties.”

1. The Attorney General is responsible for the administration of bingo distributor licensure and enforcement of bingo laws under Ohio Revised Code (O.R.C.) Chapter 2915 and the Ohio Administrative Code (O.A.C.).
2. Professional Gaming Services was first issued Bingo Distributor License No. D-01012 on or about June 1, 2023 by the Attorney General. On or about April 5, 2024, Professional Gaming Services applied to renew its bingo distributor license.
3. Subsequent to June 1, 2023, the Attorney General became aware that two key employees of Professional Gaming Services were serving as employees or representatives of, or as volunteers for, organizations licensed to conduct bingo under O.R.C. Chapter 2915 in violation of O.A.C. 109:1-4-02(G).
4. Mr. William Gallagher is listed on Professional Gaming Services’ application and supporting materials as having the following relationship to Professional Gaming Services, meaning he is a “key employee” of Professional Gaming Services as that term is defined in O.A.C. 109:1-3-01:
  - a. Custodian of supply records;
  - b. Officer, Partner, and Person with ownership interest of 10% or more; and
  - c. Principal person of organization.
5. Documentary and other evidence indicates that William Gallagher was a representative of or volunteer for Beach Park Railway. Beach Park Railway currently has a 2024 Temporary Permit to conduct Type III instant bingo.
6. Mr. Martin Gallagher is listed on Professional Gaming Services’ application and supporting materials as being a member of Professional Gaming Services and as having the following relationship to Professional Gaming Services, meaning he is a “key employee” of Professional Gaming Services as that term is defined in O.A.C. 109:1-3-01:
  - a. Partner; and
  - b. Supervisor of sales employees in Ohio.

7. Mr. Martin Gallagher was also listed as board member, trustee, and officer of Beach Park Railway in Beach Park Railway's April 11, 2024 bingo application. In these roles, Martin Gallagher is or was a representative of or volunteer for Beach Park Railway.
8. Mr. Martin Gallagher is also listed as an officer and the principal person of the charitable organization for Avon Lake High School Boosters in Avon Lake High School Booster's 2024 bingo renewal applications and amendments. In this role, Martin Gallagher is or was a representative of or volunteer for Avon Lake High School Boosters. Avon Lake High School Boosters currently has a 2024 Bingo License to conduct Type III instant bingo.
9. Beach Park Railway and Avon Lake High School Boosters all list Professional Gaming Services as a distributor from whom the organization purchases bingo supplies.
10. As "key employees" of Professional Gaming Services, William Gallagher and Martin Gallagher violated O.A.C. 109:1-4-02(G) by serving as representatives of or volunteers for Beach Park Railway. Martin Gallagher also violated O.A.C. 109:1-4-02(G) by serving as a representative of or volunteer for Avon Lake High School Boosters.
11. The Attorney General may refuse to grant a license to the 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 where the organization violates or has violated any rule adopted by the Attorney General pursuant to R.C. Chapter 2915.
12. The Attorney General's findings, as outlined above, are the basis upon which this SETTLEMENT AGREEMENT has been negotiated. However, this SETTLEMENT AGREEMENT is the culmination of disputed claims and does not constitute an admission of any wrongdoing by Professional Gaming Services, William Gallagher, or Martin Gallagher.

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

- A. Professional Gaming Services shall pay a Civil Penalty in the amount of \$12,500 (twelve thousand five hundred dollars) upon execution of this agreement. Of the Civil Penalty, \$10,000 (ten thousand dollars) shall be suspended and excused if and so long as Professional Gaming Services complies with all of its obligations under this SETTLEMENT AGREEMENT and with all requirements of R.C. Chapter 2915 and any rules adopted thereunder. The funds will be deposited into the charitable law fund established under O.R.C. 109.32.

Payment shall be made by check, cashier's check, or money order payable to Treasurer, State of Ohio and mailed to:

Ohio Attorney General  
Finance Department - CL  
30 E. Broad St., 25<sup>th</sup> Floor

Columbus, Ohio 43215  
RE: Professional Gaming Settlement/Charitable Law

- B. Professional Gaming Services agrees that if it fails to comply with the terms of this SETTLEMENT AGREEMENT, it will surrender its bingo distribution license to the Attorney General.
- C. Professional Gaming Services agrees that if fails to comply with the payment requirements of this SETTLEMENT AGREEMENT, 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, Professional Gaming Services agrees to pay additional collection costs assessed by Collections in accordance with O.R.C. 131.02(A) equal to the amounts charged pursuant to O.R.C. 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 O.R.C. 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy.
- D. For a period of five years following the date this SETTLEMENT AGREEMENT is executed, William Gallagher and Martin Gallagher agree that they shall not hold any position as an officer or trustee of any charitable organization in Ohio. Notwithstanding the preceding, but subject to the other terms of this SETTLEMENT AGREEMENT, William Gallagher and Martin Gallagher may volunteer with, or accept any offer of employment from a charitable organization as long as they do not have any involvement with or responsibility concerning charitable funds in their capacity as volunteers or employees of a charitable organization.
- E. For a period of five years following the date this SETTLEMENT AGREEMENT is executed, William Gallagher and Martin Gallagher agree that they shall not participate in solicitations in the State of Ohio for charitable purposes or on behalf of any charitable organization or charitable trust, nor shall they maintain custody of contributions from any charitable solicitations in Ohio, including, but not limited to, as a board member, trustee, officer, director, member, employee, independent contractor, agent, or volunteer; or as a professional solicitor, fund-raising counsel, or commercial coventurer, as those terms are defined in O.R.C. Chapter 1716, or as a person employed or otherwise engaged by a professional solicitor, fund-raising counsel, or commercial coventurer.
- F. William Gallagher and Martin Gallagher agree that, so long they are, directly or indirectly, an employee, contractor, representative, or agent of Professional Gaming Services or any other bingo distributor or manufacturer, and for a period of at least one year thereafter, they will not serve as employees or representatives of, be compensated in any way by, or serve as volunteers for, any organization applying for a license or licensed under O.R.C. Chapter 2915.
- G. William Gallagher and Martin Gallagher agree that, so long they are, directly or indirectly, an employee, contractor, representative, or agent of Professional Gaming Services or any

other bingo distributor or manufacturer, and for a period of at least one year thereafter, they will not form, or participate in the formation of, any Ohio charitable trust or charitable organization.

- H. In return for execution of and compliance with this SETTLEMENT AGREEMENT, the Attorney General will issue Professional Gaming Services' distributor license, and the Attorney General will not consider the facts stated above when considering new and/or renewed bingo distribution licenses for Professional Gaming Services in the future.
- I. Professional Gaming Services agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be prima facie evidence of Professional Gaming Services' violation of O.R.C. Chapter 2915, and/or any rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General.
- J. Professional Gaming Services agrees that this SETTLEMENT AGREEMENT is a limit, restriction, or probationary condition on its bingo distributor license pursuant to O.R.C. 2915.081(G).
- K. This SETTLEMENT AGREEMENT is binding upon the Parties, any and all successors, assigns, subsidiaries, agents, employees, representatives, or any other affiliates of the Parties. Any breach of this SETTLEMENT AGREEMENT by Professional Gaming Services will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge Professional Gaming Services from any obligation it has under this SETTLEMENT AGREEMENT.
- L. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of Professional Gaming Services going forward, to initiate an action against Professional Gaming Services for any further violation of O.R.C. Chapter 2915 or any rule adopted thereunder, or to reject a renewal application based on facts discovered after executing this SETTLEMENT AGREEMENT.
- M. This SETTLEMENT AGREEMENT may be modified in writing by the Parties, but are at the sole discretion of the Attorney General.
- N. Professional Gaming Services shall comply with the requirements of O.R.C. Chapter 2915 and any rules adopted thereunder.
- O. 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.
- P. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties.

Q. This SETTLEMENT AGREEMENT is entered into by the 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 persons.

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:

PROFESSIONAL GAMING SERVICES, LLC

By: William Gallagher 8-14-24  
Date  
[Signature] (Print Name and Title)

WILLIAM GALLAGHER, INDIVIDUALLY

[Signature] 8-14-24  
Date

MARTIN GALLAGHER, INDIVIDUALLY

Martin Gallagher 8-14-2024  
Date

OHIO ATTORNEY GENERAL DAVE YOST

By: [Signature] 08/19/24  
Date  
Daniel W. Fausey  
Section Chief, Charitable Law Section