**Section 1770.80 Change of Name, Transfer, or Form of Business Organization**

a) Notification of Change

1) An Agent shall report to the Director, at least 30 days prior to the effective date of the change, any:

A) Change of name;

B) Change of business organization; or

C) Transfer, except to the extent the change occurs as a result of the transfer of interest in publicly traded securities, in which case the reporting must occur within 30 days after the transfer or at the time that any reporting of the ownership interest must be made to the federal Securities and Exchange Commission, whichever is earlier.

2) Reporting may be accomplished by completing a departmental form provided for that purpose or by mailing notice of the proposed change by certified mail, return receipt requested, postmarked on or before the 30th day prior to the effective date of the change and addressed to the Department as follows:

Illinois Lottery

P.O. Box 19081

Springfield, Illinois 62794-9081

b) Each notification of change of name, ownership or form of business organization of a licensee communicated to the Director shall include the following information:

1) The name, address and Agent identification number of the Agent;

2) The name of the business as it appears on the license application;

3) The proposed new name of the business, if applicable;

4) The current form of business organization;

5) The proposed form of business organization, if applicable;

6) The current owners, managers or shareholders of the business, as is indicated on the license application;

7) The proposed transfer, including the names and addresses of the proposed new owners, managers or shareholders, the percentage of proposed transfer of equity, management control, legal ownership, shares or stock; and

8) The anticipated date of the proposed change in name, business organization or ownership.

c) The Director shall review the changes, considering current licensing standards, as provided in the Lottery Law and this Part.

d) The Director, upon approval of a change in name or a change of business organization that does not also involve a transfer, shall issue a replacement license reflecting the new name or business structure. The replacement license shall have an expiration date no later than the expiration date provided in the previous license.

e) Except as provided in this subsection (e), any change of business ownership shall necessitate termination of the existing licensing agreement, as of the effective date of the change of ownership. The new owner must submit an application and fee as provided in Section 1770.20. If the existing Agent has not provided the Department with required written notification of the change, the applicant may be required to furnish documentation evidencing the change in ownership, such as a sales contract. The current license number may be assigned to the new owner of a location in the following circumstances:

1) If a chain account location previously operated by a franchisee continues operation under the franchisor or chain corporate management, and upon corporate guarantee and assumption of the financial obligations of the licensee;

2) If transfer of the location is assumed by an immediate family member of the original Agent (parent, sibling, child or grandparent) and the following conditions are met:

A) The location is in good standing with the Lottery;

B) The family member assuming ownership was involved in the day-to-day operation of the business prior to transfer; and

C) The family member assuming transfer is qualified to hold a Lottery license.

f) Incapacity, Death, Receivership, Bankruptcy or Assignment

1) In the event of the proven incapacity, death, receivership, bankruptcy or assignment for the benefit of creditors of any licensed Agent, and upon approval of the Director, the license may continue under a court-approved or court-confirmed guardian, executor or administrator, receiver or trustee for the benefit of creditors, who may continue to operate the business designated under the license, subject to the provisions of the Lottery Law and this Part, if the person to whom the license is transferred is otherwise qualified to hold a license.

2) The license, following the transfer, shall be void in the event the license transferee ceases to hold the court-appointed or court-confirmed position.

3) The Director may condition the transfer of any license under this subsection (f)(3) upon the posting of a bond, or a guaranteed payment in the form of a cashier's check or money order, on such terms and under such conditions as the Director may deem necessary to protect the financial interests of the State, provided that any such bond shall reflect the reasonably anticipated risk of transfer.

g) Every change in the point of sale designated in the license shall be reported to the Director no less than 30 days prior to the effective date of the change. If the change results from severe damage to or destruction of the point of sale specified in the license, as a result of fire, natural disaster or other cause beyond the control of the Agent, the Agent shall promptly notify the Director of that destruction or damage to the business premises and the consequent change of location, but in no case shall the notification be made later than 3 days after the damage to or destruction of the premises or change of location. Upon notification, the Director shall consider the factors set forth in Section 1770.20 to determine whether the Agent should be licensed to sell Lottery game tickets at the new location. Upon the Director's approval, a replacement license will be issued, with an expiration date no later than that of the Agent's original license.

h) If an Agent fails to notify the Director, in writing, of a transfer before the change occurs, all owners, officers or other responsible persons named in the application for an Agent's license shall remain liable to the Director for all Lottery game tickets and proceeds held by the Agent. This liability extends to:

1) Tickets issued to, or generated by, the Agent; and

2) All proceeds from the sale of the tickets (less prizes paid and/or commissions retained) to the date written notice is received by the Director and a final settlement is conducted, or the date the Agent's license is revoked or otherwise terminated by the Director, whichever occurs first.

(Source: Amended at 47 Ill. Reg. 13924, effective September 18, 2023)