Gretchen Corbin President and CEO

Georgia Lottery Corporation
250 Williams St. | Suite 3000 | Atlanta, GA 30303
T 404.215.5000 | F 404.215.8817 | galottery.com

September 16, 2026

To Coin Operated Amusement Machine (COAM) License Holders,

The Georgia Lottery Corporation (GLC) previously advised the COAM industry in a letter dated November 19, 2025, that once a COAM prize was redeemed onto a gift card, the GLC had no authority to regulate how the gift card was used afterward, meaning the player could use that gift card for any lawful goods or services. Since then, the GLC's Legal Department has reassessed that earlier interpretation and determined that it did not fully consider a key requirement in Georgia law stating that COAM gift cards may not be exchanged for cash, change, or currency.

As clarified in the updated guidance dated September 2, 2026 (see addendum), COAM gift cards cannot be used to obtain cash in any manner, whether in whole or in part, and COAM locations may not provide cash back or otherwise facilitate converting the value of a COAM gift card into currency.

Players may continue to use COAM gift cards to purchase lawful goods and services, but the cards cannot be used as a method to receive cash.

The GLC Legal Department will update the COAM Rules and Regulations to reflect this clarified interpretation. If you have any questions regarding this guidance, please contact Joseph Kim, Senior Vice President & General Counsel, at **jkim@galottery.org** or **(404) 215-5050**.

Sincerely,

Michael Parham

Michael Parham
Senior Vice President, COAM
Georgia Lottery Corporation
On behalf of the Georgia Lottery Legal Department

Gretchen Corbin | President and CEO
Georgia Lottery Corporation
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September 2, 2026

John Houseal VIA EMAIL jhouseal@incomm.com
Incomm Payments
250 Williams St.
5th Floor
Atlanta, GA 30303

Craig Franklin VIA EMAIL craig@eagleglobalinc.com
Eagle Global Inc.
3230 Peachtree Corners Cir.
Suite J
Norcross, GA 30092

Les Schneider VIA EMAIL las@wimlaw.com
Wimberly Lawson Steckl Schneider & Stine
3400 Peachtree Rd
Suite 400
Atlanta, GA 30326

RE: Post-COAM Prize Redemption Exchange Of COAM Gift Cards For Currency

Gentlemen

Each of you have asked/raised additional questions or concerns regarding the use at ATMs (or use via cash apps) of gift cards that represent the winnings/redemption of COAM prizes ("COAM gift card").

Based on a number of vendor demonstrations at the Southern Amusement & Entertainment Expo on August 20, it is clear that an affirmative answer to Incomm's correspondence of June 1, 2026 and July 7, 2026; and Eagle Global Inc.'s correspondence of June 29, 2026 (copies attached) will create a safe harbor by the GLC for the exchange of COAM gift cards for currency. Given that OCGA 50-27-71.1(b) says that gift cards "shall not be exchanged for cash, change or currency", I cannot issue advice that would act as a safe harbor for COAM gift cards being exchanged for currency.

My November 19, 2025 letter never contemplated such wholesale exchanges of COAM gift cards for currency ... whether by redeeming the COAM gift card from a device and then exchanging the value of the COAM gift card for currency from that device; or by redeeming the COAM gift card from the device and transferring the value of the COAM gift card electronically to a bank account. My November 19, 2025 letter (as well as internal emails discussing the issue) failed to properly consider the state law prohibition that COAM gift cards “shall not be exchanged for cash, change or currency” and cannot be interpreted as allowing COAM gift cards to be exchanged for currency as it is beyond the scope of the GLC’s power to alter the plain words in the statute by interpretation.

My November 19 letter was intended to limit its consideration to whether the GLC had authority to place additional restrictions (other than those in statute) on the COAM gift cards after COAM prizes were redeemed for the COAM gift card. I stand by the position that GLC cannot create additional restrictions (other than those in statute). The converse, however, is also true .. the GLC cannot remove restrictions on COAM gift cards expressly provided for in statute (i.e. the COAM gift card cannot be exchanged for currency). My November 19 letter was never intended to alter the plain words of the statute .. and to the extent that anyone is relying on it for that purpose, they do so incorrectly because even if the GLC no longer has authority to regulate the subsequent use of COAM gift cards after the act of prize redemption, the GLC does not have the authority to create a safe harbor for post-redemption use of the COAM gift card that violates state law by being “an exchange of cash, change or currency”. As I mentioned at the Southern Amusement & Entertainment Expo, if law enforcement took action with respect to the exchange of a COAM gift card for currency in violation of OCGA 50-27-71.1, nothing in my November 19 letter could be a defense to such law enforcement action.

In addition to violating the state law prohibition on exchanging a COAM gift card for currency, the en masse exchange of COAM gift cards for currency also raises questions regarding FINCEN (Financial Crimes Enforcement Network) compliance with AML (anti-money laundering) requirements. As you can see from the attached that shows that COAM redemptions in the thousands of dollars (and even $10,000+) are not rare, entities that are subject to FINCEN/AML requirements should consult with their own counsel regarding the impact of FINCEN/AML requirements on their issuance of COAM gift cards.

Sincerely,

Joseph J Kim

Joseph J. Kim
Sr VP & General Counsel

Outlook

Instant Validations at Non-Owning - 08/07/2026 and 08/08/2026 - 08/13/2026

From Deelya Inomova <dinomova@galottery.org>
Date Fri 8/14/2026 12:58 PM
To Fraud Team <FraudTeam@georgialotte.onmicrosoft.com>; Ben Nicolls <bnicolls@galottery.org>

1 attachment (14 KB)
Retailer [redacted]ashes on 12Aug2026.xlsx;

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	FSD Info	Frequency Over 12 Months
08/07/2026	[redacted]	[redacted]	57	$3,805.00	[redacted]	$13,875.00	No FSD	1

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	FSD Info	Frequency Over 12 Months
08/08/2026	[redacted]	[redacted]	52	$3,547.00	[redacted]	$21,395.00	No FSD	26

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	FSD Info	Frequency Over 12 Months
08/10/2026	[redacted]	[redacted]	59	$6,340.00	[redacted]	$5,970.15	No FSD	41
08/10/2026	[redacted]	[redacted]	69	$2,972.00	[redacted]	$16,180.00	$30K Bond	5
08/10/2026	[redacted]	[redacted]	122	$3,805.00	[redacted]	$2,075.00	$14K Bond	1

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	FSD Info	Frequency Over 12 Months
08/11/2026	[redacted]	[redacted]	62	$3,315.00	[redacted]	$26,940.00	No FSD	1
08/11/2026	[redacted]	[redacted]	55	$5,205.00	[redacted]	$4,375.10	No FSD	42
08/11/2026	[redacted]	[redacted]	55	$2,764.00	[redacted]	$14,190.00	No FSD	27
08/11/2026	[redacted]	[redacted]	56	$3,550.00	[redacted]	$5,455.00	$30K Bond	2
08/11/2026	[redacted]	[redacted]	62	$3,275.00	[redacted]	$12,380.00	$40K Bond	17
08/11/2026	[redacted]	[redacted]	82	$3,420.00	[redacted]	$22,209.91	$20K Bond	1

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	FSD Info	Frequency Over 12 Months
08/12/2026	[redacted]	[redacted]	53	$3,080.00	[redacted]	$8,745.00	No FSD	
08/12/2026	[redacted]	[redacted]	63	$2,242.00	[redacted]	$12,775.00	No FSD	

08/12/2026	[redacted]	[redacted]	101	$3,110.00	[redacted]	$9,470.00	$40K Bond
08/12/2026	[redacted]	[redacted]	68	$1,990.00	[redacted]	$815.00	$40K Bond

Date	Retailer	Retailer Name	Non-Owning Count	Validation Amount	COAM ID	COAM Redemption	ESO Info	Frequency Over 12 Months
08/13/2026	[redacted]	[redacted]	112	$6,780.00	[redacted]	$17,835.00	$13K Bond	1

incomm
payments™

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Atlanta, GA 30303
800-352-3084
InComm.com

Monday June 1, 2026

Joseph Kim
Sr. Vice President & General Counsel
Georgia Lottery Corporation
250 Williams St. NW, Ste 3000
Atlanta, GA 30303

Dear Mr. Kim,

Following the recent GAMOA meeting and subsequent discussions, several members have asked additional questions of InComm. In particular, GAMOA members asked whether a location license holder ("LLH") may directly load COAM winnings onto a gift card – as defined in GA Code § 50-27-70(b)(5.1) – which provides the cardholder ATM access.

InComm is preparing to distribute a non-reloadable, open-loop Mastercard gift card that will include the ability to make purchases anywhere Mastercard is accepted and to withdraw funds at an ATM. Under this structure, the LLH would redeem COAM winnings by activating the gift card and loading the COAM winnings to this card. ATM access would be immediately available and provided to the cardholder subject to cardholder terms, applicable fees, issuer controls, network rules, and applicable non-COAM law.

In your November 19, 2025 letter, responding to our November 6, 2025 letter, you confirmed that once the act of redemption of the COAM prize is complete, the GLC has no authority to regulate the subsequent use of the gift card. In the prior scenario, we inquired as to the GLC's view of a process whereby COAM funds were loaded onto a gift card which was then subsequently used to purchase a separate open-loop card with ATM access functionality. In this instance, we are writing to confirm our understanding of the following:

- Governing Georgia law, including but not limited to GA Code § 50-27-71.1, does not prohibit direct utilization of a gift card which has ATM access functionality. This differs from the prior scenario, which described a multi-step process.

- Section 50-27-71.1(c) provides that, "notwithstanding... any other provision of law to the contrary," a gift card redeemed as a COAM prize "shall be redeemable or exchangeable for any goods or services which a successful player is entitled or permitted by law to purchase." Any ATM use occurring after the gift card has been loaded with COAM winnings constitutes subsequent cardholder activity, is not part of the LLH's COAM redemption process, and is not prohibited by § 50-27-71.1.

- Accordingly, a gift card with ATM access may be loaded with COAM funds in a single step. The multi-step process described in our November 6 letter is not a precondition to loading COAM funds onto a gift card with ATM functionality.

I would appreciate your confirmation that our understanding aligns with GLC's position at your earliest convenience. I'd like to be accurate as we field inbound questions from industry.

Sincerely,

John Houser
Vice President

Joseph Kim

From: John Houseal <jhouseal@InComm.com>
Sent: Tuesday, July 7, 2026 11:15 AM
To: Joseph Kim
Cc: Les A. Schneider; Michael Parham; Chris Foss; Andrew Pippin; Justin Cotton
Subject: Re: ATM Card Clarification

[EXTERNAL EMAIL] Caution opening links or files.

Hi Joe —

I hope you had a great 4th of July. Thank you for the accompanying materials in your July 1 note. With the new law in effect and increasing inquiries from LLHs and MLHs, I want to clarify our inquiry plainly for the record.

My June 1 letter ultimately asks whether a location licensee may redeem COAM winnings by loading them, in a single step, onto the card at issue: a non-reloadable prepaid card, issued by an FDIC-insured bank on the Mastercard network, with ATM access ("Card"). Effective July 1, O.C.G.A. § 50-27-71.1(a)(2) authorizes gift cards as a lawful form of redemption for both Class A and Class B machines and, for Class B, limits redemption to replays, lottery products, and gift cards.

Our position is:

1. The Card is a gift card as defined in O.C.G.A. § 50-27-70(b)(5.1). The redemption is noncash — the player receives a payment device, not currency — in the specific amount earned, and the Card is "*provided or loaded on a prepaid basis for the future purchase or delivery of any merchandise or service permitted by law from a single merchant or service provider or multiple merchants or service providers, whether affiliated or not.*" An open-loop network card is exactly that device.
2. Under O.C.G.A. § 50-27-71.1(c)(2), the award of such a gift card "*shall be a lawful act of in-store redemption and shall be permitted to be fully redeemed off the premises.*"
3. As your November 19 letter states, once the act of redemption of the COAM prize is complete, "*the GLC has no authority to regulate the subsequent use of the gift card.*"

We are glad to provide any factual detail about the Card — issuance, load mechanics, non-reloadability — that would assist your review of the June 1 question.

Best,

John

incomm payments
John Houseal
Vice President
250 Williams St.
Atlanta, GA 30303
M: 770.815.3349
E: jhouseal@incomm.com

From: Joseph Kim <jkim@galottery.org>
Date: Wednesday, July 1, 2026 at 11:24 AM
To: John Houseal <jhouseal@incomm.com>
Cc: Craig Franklin <craig@eagleglobalinc.com>; Les A. Schneider <las@wimlaw.com>; Michael Parham <MPARHAM@galottery.org>; Chris Foss <cfoss@galottery.org>; Andrew Pippin <apippin@galottery.org>; Justin Cotton <jcotton@galottery.org>
Subject: FW: ATM Card Clarification

John

I received your letter and am reviewing.

I have received some other inquiries (see attached from Craig Franklin) and concerns (see attached from Les Schneider/GAMOA) and am reviewing those too

No ETA at this time for response to any of these

Joseph Kim

From: Craig Franklin <craig@eagleglobalinc.com>
Sent: Monday, June 29, 2026 9:07 AM
To: Joseph Kim
Subject: Request - 2 clarifying questions on gift cards
Attachments: john houseal incomm.subsequent use of gift card redeemed as COAM prize.pdf

[EXTERNAL EMAIL] Caution opening links or files.

Dear Joe,

Hope you had a good weekend. Reaching out as we had two clarifying questions on your attached letter regarding gift cards. I am outlining them as points below so request you to clarify them when convenient. I believe your letter is clear so don't mean to waste your time but want to clarify as we are getting questions from our location partners.

1) Based on the attached letter from you, it appears that the GLC's jurisdiction ends the moment the COAM location licensee redeems the players' COAM credit redemption onto a gift card, be it the Mastercard provided by InComm or the store owned/provided (plastic, paper, digital etc.) card. Please confirm or let me know if I am interpreting this incorrectly.

2) If a location licensee, say "Johnny's Bar", issues the InComm Mastercard or their store gift card "Johnny's Bar card" (plastic, paper, digital card much like a Kroger, Best Buy card etc.) to their player for the players' COAM credit redemption, that InComm Mastercard or Johnny's Bar card can be used by the player to purchase anything permitted by law to purchase such as Johnny's Bar merchandise, lottery tickets, FAT (firearms, alcohol, tobacco), cash, money orders, transfer of value to cash apps like Venmo, Zelle etc. Please confirm or let me know if I am interpreting this incorrectly.

Again, don't mean to bother you with this as your attached letter that both the above points are permitted is clear to us and we are proceeding accordingly but just want to clarify as our location partners are asking us so welcome your guidance when convenient.

Warm regards,

Craig Franklin
Eagle Global
T: +1 (404) 997-3303
E: craig@eagleglobalinc.com