

How to Start and Operate A Profitable Quarter Pusher Route Business



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Introduction:

This document will give you step by step instructions on how to start a quarter pusher route. Although it is written with quarter pushers in mind, the principles and steps outlined in this document may be applied to almost any gaming or vending route. We do not guarantee that a business that is set up using this document will be profitable or that it is all inclusive. As in any business venture, a certain degree of common sense and business savvy will also be required to operate as a successful business.

Disclaimer:

As with any business venture, you should always consult an attorney for any legal advice related to this or any other business and good sound financial and accounting advice is also highly recommended. The author will not be held responsible for any business losses or legal actions resulting from use of this document.

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1. General Business Description

1.1 Opportunity description:

This is an opportunity to purchase quarter pusher machines at wholesale prices and place them in businesses on a “revenue sharing” basis. You then will check your machines on a weekly basis for proper operation and collect the winnings. This is a highly profitable business with a relatively low capital investment. This business requires very little time and can easily be operated as a part time supplemental business while keeping your normal job.

1.2 What is a quarter pusher:

A quarter pusher, or coin pusher machine (figure 1) is a machine that is skill based and allows the customer to drop a quarter in to a sliding base in the hopes that a properly placed quarter will cause other quarters to fall into the payoff field. Sometimes other prizes such as bills, watches, prepaid cell phones, gift cards etc, are also added to the playfield to make the game more interesting. (figure 2)



Figure 1



Figure 2

1.3 Profitability:

Quarter pusher profitability depends on the location. More will be said about location selection in Chapter 3 . A good location should be able to generate profits of \$400 or more per week. Even if you are splitting profits with the location owner, you still can make profits of \$200 a week net. When you consider the small cost of the machines and the relatively small amount of labor and time required to operate them, this is a very lucrative business with very low risk.

1.4 Investment required:

To start a business like this there is relatively low investment required:

Depending on local ordinances you may incur the following expenses:

1. Initial business registration expenses
2. Business cards
3. Business checking account
4. You may need to buy a business or mercantile license
5. You might need a amusement tax stamp for each machine
6. Initial cost of the machine and shipping
7. Initial bonus to location owner
8. Local and Federal taxes

2. Legal Requirements

2.1 What are the issues involved

All the normal legal issues regarding owning and operating a small business apply but in addition there are some legal requirements pertaining to owning and operating a vending or amusement machine route that apply. These are the issues that will be addressed in this document. This document is written to make you aware of the possibility of legal requirements pertaining to the installation and operation of Quarter Pusher machines. We are not lawyers, we are not authorized to dispense legal advice and we cannot cover all the possible legal requirements in this document. Suffice it to say that our intention is to make the reader aware that there are legal requirements and that legal advice is required before proceeding with this business.

2.2 How to check local legal requirements

The best way to check legal requirements is to consult a local attorney. If you are trying to save money then you might be able to call or write the local District Attorney's office.

You need to make sure that you specify that these machines are skill based machines with two levels of skill involved. First there is the STOP TRAY button that allows the player to stop the moving tray while they drop their coin in and second there is the coin slot slider bar that allows the player to move the coin drop left and right to position the dropping of the coin.

You need to determine whether skill based coin pusher games are legal and what the licensing requirements are if any.

2.3 What options are available

You have several options available depending on the legal requirements in your jurisdiction:

- a) Quarter in and quarter out (the most popular)
- b) Quarter in and ticket out
- c) Token in and token out
- d) Token in and ticket out

3. Location Requirements

3.1 Location requirements

There are several key requirements for locating a coin pusher machine

- (1) Should be a high traffic location such as a convenience store, gas station, truck stop, bar, restaurant, coffee shop, ice cream shop, drug store or similar location
- (2) Needs to be well lighted and attended secure location to prevent cheating or robbing of machine
- (3) Should be in a location that a player can easily obtain more quarters if needed, cashier available or a change machine in location or order a machine with a changer option in the machine.
- (4) Should be indoors in a heated and air conditioned space with proper environmental controls
- (5) Not prohibited

3.2 Finding good locations

The key to your success is to find good locations. There are several ways to find good locations

- (1) Use a locator service, there are vending locator services in every city. They will find you a machine location for a fee. You can find them on Google by searching vending locator services , here is a link to one good service

<http://www.vending-locations.com/>

- (2) Ask friend or relatives if they know any business owners
- (3) Just visit local businesses and propose the machine to them
- (4) Use Craig's List to find locations

4.Location Agreement Requirements

You must have a written agreement with each and every location owner. This is a legal requirement. You can make your own agreement or you can download one of many that can be found on the web using a search engine. The agreement protects your rights of ownership of the machine and spells out the profit sharing plan. Minimum requirements of this agreement are

- (1) That you own the machine and you retain ownership of the machine for the life of the contract
- (2) That you have the right to enter the premises and service the machine
- (3) In the event of bankruptcy or closing of the business you have the right to remove your machine
- (4) The location will do everything in their power to protect and secure your machine from theft and vandalism
- (5) The location will not tamper with or enter the machine
- (6) Specific terms regarding the sharing of profits
- (7) That you have the right to terminate the agreement and remove the machine any time you want to
- (8) Both parties agree to arbitrate any disputes arising out of this agreement

5. Machines variations and ordering

5.1 What are the things to consider

You need to decide if you want the machine to be quarters or tokens, coins out or redemption tickets, candy top or plain top, bonus hole or not and whether or not you want a built in coin bill changer machine. Besides all that then you also need to decide the cabinet style, side windows or not, and cabinet color.

5.2 What machines are available

These are the machines available at www.slotsdirect.com

			
Standard	Candy Top	Bonus Hole	Tropical Treasure
\$ 1299	\$ 1399	\$ 1899	\$ 1899

5.3 Ordering your machines

It takes about a week to get machines delivered to your location. You can pay for them by credit card, PayPal or by sending a check or money order. You can order your machines by calling Mitchell Enterprises at 610-687-5884 or on the web at

<http://www.slotsdirect.com/quarterpush.html>

6. Setting up your machines

6.1 Accepting Delivery

When your machines are delivered it is important that you completely unpack and inspect them for damage before you sign the delivery receipt. Once you sign the delivery slip you accept all liability for any damage and cannot file a damage claim. If you find any damage to the machines you need to either refuse delivery if it is significant or note the damage on the delivery slip prior to signing. If damage is noted on the delivery slip then you will be able to file a claim for damage. Keep all cartons and delivery packing materials until the claim is settled. Contact the shipper immediately to start the claims process.

6.2 Setting up and filling machine

- 1) To set the machines up properly you will need a level. Move the machine into place and use a level to make sure it is level both side to side and front to back. You can use the adjustable feet that are included on all four corners of the machine to adjust the level.
- 2) Decide if you want to bolt the machine to the floor. If you want to bolt it down you can do it by drilling through the bottom of the inside of the machine and running bolts to the floor. Or you can use angle iron purchased at a local building supply store to bolt from the sides to the floor.
- 3) You then can adjust the alarm sensitivity by loosening the thumb-screw on the plumb bob and moving it up on the shaft to make it less sensitive or down to make it more sensitive.
- 4) Finally you need to load the playing field, you will need at least 1,000 quarters to put at least two layers of quarters on the slide and front payoff shelf.
- 5) You can partially close the slide openings on the left and right sides of the play field to increase to payoff. If they are opened all the way then the max owner hold is achieved at about 50% .

7. Operating the business

7.1 Dealing with the locations

When you make your regular weekly pickup be sure the owner is there to observe the removal of the owner winnings. Remove the winnings and split them evenly with the location owner or give the location owner whatever your agreed upon split is. It is helpful to have a quarter counting machine with you to ensure proper counting and split. We suggest the CS-10 coin counter sold by www.count-money.com . http://www.count-money.com/cct300_counter.html

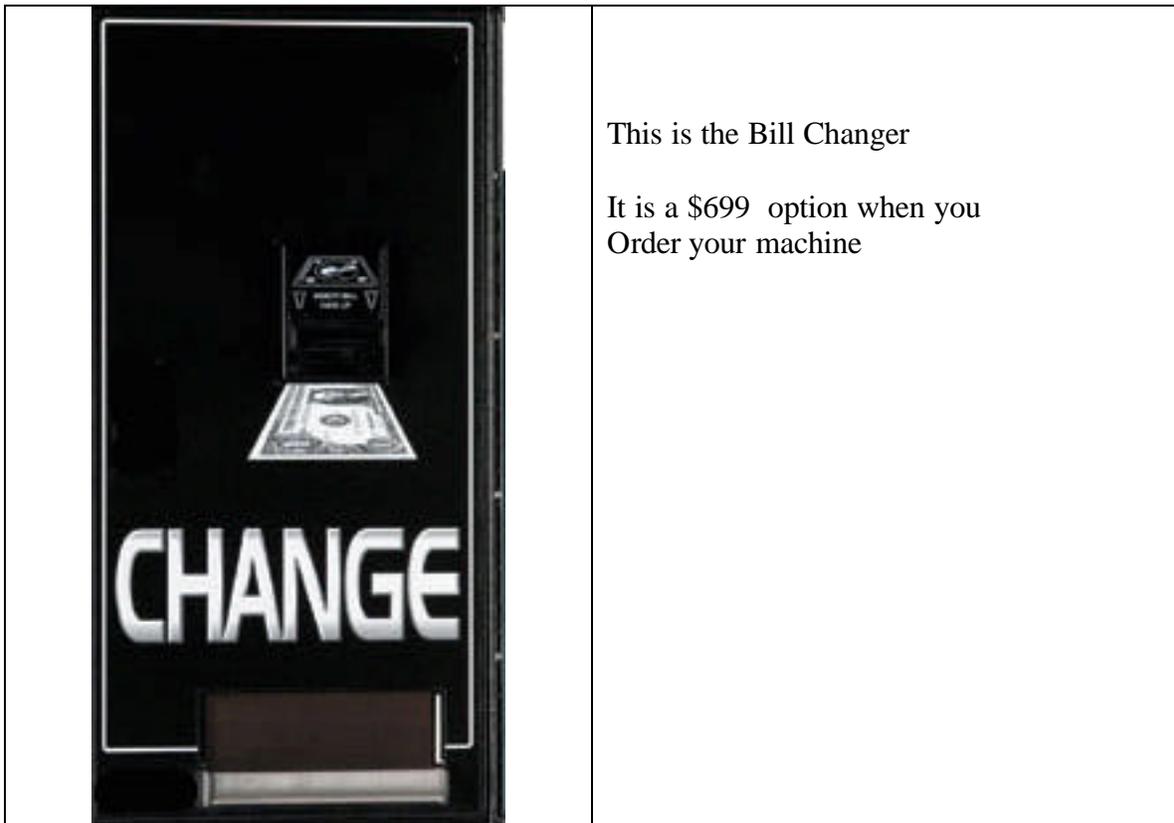
7.2 Operating requirements

All the machines need to operate is a 110 volt household outlet. We suggest that you use a line filter to prevent power surges from damaging the machine. Make sure the machine is not subject to extreme temperatures or humidity.

7.3 Improving profitability

There are several things you can do to improve profitability of your machines

- 1) Make sure that quarter change is readily available. Make it easy for players to get more quarters when they run out. One way to do this is to install a quarter bill changer in your machines when you buy them



8. Summary

I hope this document answers most of your questions about installing and operating Quarter Pusher machines. This is a good part-time opportunity with a low investment requirement.