



# ILLINOIS GAMING BOARD

JB Pritzker • Governor Don Tracy • Chairman Agostino Lorenzini • Acting Administrator

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## **Regular Meeting, Open Session Minutes – Riverboat and Video Gaming Illinois Gaming Board Chicago, Illinois March 1, 2019**

Illinois Gaming Board (“Board”) convened for a Regular Meeting – Riverboat and Video Gaming – on Friday March 1, 2019 in the Conference Room on the 5th Floor of the Michael Bilandic Building Center, in Chicago, Illinois pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

A roll call was taken. The following Board members were physically present: Chairman Don Tracy, Member Hector Alejandre and Member Dee Robinson. Due to a work conflict, Member Steve Dolins participated telephonically. Three members of the Board being physically present, a quorum was satisfied.

At approximately 9:10 A.M., Member Alejandre moved that the Board go into closed session pursuant to Section 2(c), paragraphs (1), (11), (14), and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act to discuss items on the closed session agenda relating to specific personnel, the closed session minutes, investigations, and pending litigation. Member Robinson seconded the motion. The Board approved the motion unanimously by voice vote. Thereafter, the Board moved from the Conference Room on the 5th Floor of the Michael Bilandic Building to the Conference Room on the 3rd Floor of the building for a closed session meeting; the minutes of which are separately recorded.

At approximately 10:00 A.M., the Board returned to the Conference Room on the 5th Floor of the Michael Bilandic Building Center, in Chicago, Illinois to reconvene its Regular Meeting – Riverboat and Video Gaming – of Friday March 1, 2019 pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

### **RELEASE OF CLOSED SESSION MINUTES**

Member Alejandre moved that the Board approve the dissemination of the minutes of closed sessions held by the Board from January 2018 through December 2018. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

### **APPROVAL OF OPEN SESSION MINUTES**

Member Robinson moved that the Board approve the open session minutes from its Regular Meeting of January 30, 2019. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

## OWNER LICENSEE ITEMS

### Final Consideration:

- **HC Aurora, LLC d/b/a Hollywood Casino Aurora** – Request for Final Consideration of Owners License Renewal

Prior to any final decision regarding the owners license renewal, the Board discussed the length of the term of the license renewal; specifically, whether the license should be renewed for a four year term or a two year term. Thereafter, Member Alejandro moved that the Board approve the request by **HC Aurora, LLC d/b/a Hollywood Casino Aurora** to renew its Owners License for a period of four years retroactively to December 2018, expiring in December 2022, with required semiannual reporting addressing identified Corrective and Proactive Actions with an assessment of the current status, and any other topics as requested by the Administrator, and find the following persons and entities suitable as Key persons of the licensee:

- CRC Holdings, Inc.
- Hollywood Casinos, LLC
- Penn National Gaming, Inc.
- Penn Tenant, LLC
- Penn National Holdings, LLC
- Peter M. Carlino
- John V. Finamore
- Todd M. Goerge
- Shamira Mavany
- Richard Primus
- Jay Snowden
- Jason Taylor
- Timothy Wilmott

Member Robinson seconded the motion. The motion passed unanimously via voice vote.

- **Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino-Des Plaines** – Request for Final Consideration of Churchill Downs Incorporated Suitability for Transfer

Prior to any final decision related to the transfer of ownership, the Board engaged in a lengthy discussion with representatives of the proposed ownership group, existing owners group and their legal representative regarding the impact that the proposed transfer will have on the minority-owned interests in the owners license. Amongst others, the Board heard testimony from William Carstanjen, Chief Executive Officer for Churchill Downs Incorporated and Neil Bluhm, Key Person for Midwest Gaming & Entertainment, LLC. Following the discussion and Board deliberation on the matter, Chairman Tracy moved that the Board approve a transfer of ownership, pursuant to an Acquisition Agreement dated October 31, 2018, in which Churchill Downs Incorporated, through its subsidiary HCRH, LLC, will purchase the ownership stake held by affiliates and co-investors of Clairvest Group Inc., in Midwest Gaming Holdings, LLC, parent company of Midwest Gaming & Entertainment, LLC d/b/a Rivers Casino, and will also purchase the ownership interests elected to be sold by High Plains Gaming, LLC and Casino Investors, LLC, provided that Churchill Downs Incorporated makes a good faith effort to sell up to 10% of the equity value of Midwest Gaming Holdings, LLC to

statutory investors within 90 days of the closing of this transfer upon the same price and terms as the Casino Investors, Inc. received in this transfer. This transfer approval is subject to the final executed documents being provided to the Illinois Gaming Board and subject to revocation if the final terms and conditions are not materially consistent with those originally disclosed to the Board. The transaction to close at a date mutually agreed to by the buyer and seller and approved by the Administrator. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

*NOTE:* At this point, Member Dolins ceased participating in the meeting. The following votes consist only of Member Alejandro, Member Robinson, and Chairman Tracy unless otherwise indicated.

## **RIVERBOAT SUPPLIER LICENSEE ITEMS**

- **Konami Gaming, Inc.**

Member Robinson moved move that the Board renew **Konami Gaming, Inc.**'s Riverboat Supplier License for a period of four years, retroactive to February 2019, expiring February 2023, and approve the following individuals as Key Persons under Rule 222(C)(4):

- **Konami Corporation of America**
- **Konami Holdings Corporation (Japan)**
- **Kagemasa Kozuki**, in his role as Owner, Officer and Director of the holding companies,
- **Satoshi Sakamoto**, in his role as Chairman and Director of KGI,
- **Stephen Sutherland**, in his role as President, CEO, Secretary, and Director of KGI,
- **Thomas Jingoli**, in his role as Executive Vice President, CCO, and Director of KGI.

Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

## **OCCUPATIONAL LICENSEE ITEMS**

### Initial Level 2 and Level 3 Licenses – Approvals and Denials:

Member Alejandro moved that the Board approve **37 Level 2** occupational licenses and **85 Level 3** occupational licenses and authorize the Administrator to issue Notices of Denial to:

- **Tyler Michael Bockholdt**
- **Chad Alexander Jenkins**

Member Robinson seconded the motion. The motion passed unanimously via voice vote.

## **DISCIPLINARY COMPLAINTS**

Member Alejandro moved that the Administrator issue a Disciplinary Complaint revoking the Level 3 occupational license of **David Scott Gentilini**, with said action taking effect 21 days after the Notice of Disciplinary Complaint is served, unless an answer is properly filed within that timeframe in accordance with Rule 1125. Member Robinson seconded the motion. The motion passed unanimously via voice

vote.

*NOTE:* The Board took a short recess before beginning the Video Gaming session.

## **VIDEO GAMING MANUFACTURER, DISTRIBUTOR & SUPPLIER LICENSEE ITEMS**

- **Patriot Gaming & Electronics, Inc.**

Member Robinson moved that the Board **renew Patriot Gaming & Electronics, Inc.**'s Video Gaming Supplier license for a period of one year, retroactive to February 2019, and expiring in February 2020.

Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

## **TERMINAL OPERATOR LICENSEE ITEMS**

### License Renewals – February

Member Robinson moved that that the Board **renew** the following Terminal Operator's licenses for a period of one year, retroactive to February 2019, expiring in February 2020:

- **American Video Gaming, LLC**
- **Awesome Hand Services, LLC**
- **Gold Rush Amusements, Inc.**
- **Lattner Entertainment Group, Illinois, LLC**
- **Melody Gaming, LLC**
- **Renville Gaming, LLC**
- **Skyhigh Gaming, LLC**

Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

### License Renewals – March

Member Robinson moved that that the Board **renew** the following Terminal Operator's licenses for a period of one year, expiring in March 2020:

- **Abraham Gaming, LLC**
- **Dragonfly Gaming, Inc.**
- **Laurel Gaming, LLC**
- **Mississippi Gaming & Amusements, LLC**
- **WAMI Gaming, LLC**

Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

## **TECHNICIANS & TERMINAL HANDLERS**

### Initial Licenses – Approval and Denials

Member Alejandre moved the Board approve **25 Terminal Handler licenses** and **1 Technician license**, and authorize the Administrator to issue **Notices of Denial** to the following:

- **Michael Christopher Morris**
- **Gerald Wesley Hall**
- **Verna Agboola**

Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Alejandre moved that **Michael Christopher Morris** be granted immediate leave to reapply. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Alejandre further moved that **Illinois Gaming Investors, LLC** be ordered to disassociate from applicants **Gerald Wesley Hall** and **Verna Agboola**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

### License Renewals and Non-Renewals

Member Robinson moved that the Board **renew** the **Technicians** and **Terminal Handlers** licenses who were licensed or renewed in February or March 2018 and who have properly updated their applications, timely paid their annual fees, and are in compliance with the requirements of the Video Gaming Act and the Board's Rules, with the February licenses retroactive to February 2019. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

## **VIDEO GAMING ESTABLISHMENT APPLICATIONS**

### Initial Licenses - Approvals & Denials

Member Robinson moved that the Board approve **61 Video Gaming Establishment Licenses**, for a period of one year, expiring in January 2020, and authorize the Administrator to issue **Notices of Denial** to:

- **CORVETTE U S A INC. d/b/a C.C's GROVE INN (170702325)**
- **HOG DADDY BBQ LLC d/b/a HOG DADDY BBQ LLC (180700529)**
- **SMOOTH FOX INC. d/b/a SMOOTH FOX (160701901)**

Chairman Tracy moved that the motion be amended to reflect an expiration of March 2020. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board table the license application of **CH House Corp. d/b/a The Coach House Bar & Grill**. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

### License Renewals and Non-Renewals

Member Alejandre moved that the Board **renew** the licenses of Retail Establishments, Truck Stop

Establishments, Veteran Establishments and Fraternal Establishments that were licensed or renewed in February or March 2018 and that have properly updated their applications, timely paid their annual fee, and are otherwise in compliance with the requirements of the Video Gaming Act and the Board's Rules, with the February licenses retroactive to February 2019. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

## **REQUESTS FOR HEARING, REQUESTS TO REAPPLY**

### Requests for Hearing

Member Alejandre moved that the Board **grant** the hearing request submitted by **Jameson Pub, INC. d/b/a Skooter's Roadhouse**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board **grant** the hearing request submitted by **TNT Securities Inc. d/b/a TNT's**. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

Member Alejandre moved that the Board **grant** the hearing request submitted by **Cicero Citgo, Inc. d/b/a 12th St. BP**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board **grant** the hearing request submitted by **Wild Money Gaming, LLC**. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

Member Alejandre moved that the Board **grant** the request for hearing submitted by **ROUGH ROAD LLC d/b/a Freedom Bar**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

### Requests to Reapply

Member Robinson moved that the Board **grant** the request by **CALM & CHAOS LLC d/b/a THE IRISH LEGEND**, to reapply for an establishment license upon withdrawal of their request for hearing. Member Alejandre seconded the motion. The motion passed unanimously via voice vote.

Member Alejandre moved that the Board **grant** the request by **ALEXANDER JAMES KAHMANN**, to reapply for a terminal handler license. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

The Board next considered the request to reapply that was made by Niemann Foods, Inc. d/b/a County Market Express #730. Chairman Tracy announced that he was recusing himself from the matter. Member Dolins was contacted by phone and asked to participate in this motion. Member Alejandre moved that the Board **grant** Niemann Foods, Inc. d/b/a County Market Express #730 leave to reapply. Member Dolins seconded the motion. The motion passed 3-0 via voice vote.

## **DISCIPLINARY ACTIONS**

### Terminal Handlers

Member Alejandro moved that the Administrator issue a disciplinary complaint revoking the license of Terminal Handler **Michael O'Reilly** with said action to take effect 21 days from the date of service of the Complaint, unless an Answer is properly filed within that timeframe. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

#### Location Licensees

Member Robinson moved that the Administrator issue a disciplinary complaint fining **Club Havana, LLC d/b/a Townhouse Lounge** \$1,000 with said action to take effect 21 days from the date of service of the Complaint, unless an Answer is properly filed within that timeframe, and revoking the license if neither the fine is paid nor an answer is properly filed within that timeframe. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Administrator issue a notice of disassociation to **WW Ventures, LLC d/b/a Shelton's Bar**, ordering the licensee to economically disassociate from Matthew Weaver, pursuant to rule 330. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Administrator issue a disciplinary complaint fining **AG ENTERTAINMENT INC d/b/a BOOKER'S BAR & GRILL** \$5,000 for knowingly permitting play of VGTs by someone under the age of 21, with said actions to take effect 21 days from the date of service of the Complaint, unless an Answer is properly filed within that timeframe, and revoking the license if neither the fine is paid nor an answer is properly filed within that timeframe. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Administrator issue a disciplinary complaint fining **Blackhawk Restaurant Group LLC Series 240Randall d/b/a Penny's Place** \$5,000 for knowingly permitting play of VGTs by someone under the age of 21, with said actions to take effect 21 days from the date of service of the Complaint, unless an Answer is properly filed within that timeframe, and revoking the license if neither the fine is paid nor an answer is properly filed within that timeframe. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Administrator issue a disciplinary complaint fining the following locations \$5,000 for knowingly permitting play of VGTs by someone under the age of 21, with said actions to take effect 21 days from the date of service of the Complaint, unless an Answer is properly filed within that timeframe, and revoking the license if neither the fine is paid nor an answer is properly filed within that timeframe.

- **Pilot Travel Centers LLC d/b/a Pilot Travel Center #643**
- **Effingham Chrome Shop, Inc. d/b/a Effingham Chrome Shop**
- **DOWNTOWN LOUNGE, INC. d/b/a DOWNTOWN LOUNGE, INC.**
- **Mexphil Enterprises Incorporated d/b/a Quick Stop Package Liquor**
- **TA Operating LLC d/b/a TravelCenters of America**
- **Speedway LLC d/b/a Speedway #7503**
- **Gopher's Grill, Inc. d/b/a Gopher's Grill**

Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

## **LITIGATION/SETTLEMENTS**

Member Robinson moved that the Board authorize the Administrator to enter into a settlement agreement regarding the nonrenewal of **Bootleggers Pizza, Inc. d/b/a Bootlegger's Pizza**, and if appropriate, to rescind this non-renewal and renew this license. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Board authorize the Administrator to enter into a settlement agreement regarding the discipline of **Clover Restaurant Group LLC d/b/a Shamrocks Café**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board authorize the Administrator to enter into a settlement agreement regarding the discipline of **Fuzzy's, Inc. d/b/a Fuzzy's Tavern**, and if appropriate, to rescind disciplinary complaint DC-V-19-20. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board authorize the Administrator to enter into a settlement agreement regarding the discipline of **PLAY PEN, INC. d/b/a Play Pen**, accept its surrender of license, and if appropriate, to rescind the disciplinary complaint. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board authorize the Administrator to enter into a settlement agreement regarding the discipline of **PANINO'S ITALIAN SANDWICHES & CRAB SHACK, LLC d/b/a Panino's Italian Sandwiches & Crab Shack**, accept its surrender of license, and if appropriate, to rescind the disciplinary complaint. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Board authorize the Administrator to enter into a settlement agreement regarding the discipline of **Mazzarisi Gaming Inc. d/b/a Maria's Gaming Lounge**. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

Member Robinson moved that the Board amend disciplinary complaint DC-V-18-133 issued against **Grand River Jackpot, LLC**, to rescind allegations of improper inducements. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.

Member Alejandro moved that the Board rescind disciplinary complaint DC-V-18-144. Member Robinson seconded the motion. The motion passed unanimously via voice vote.

## **ADJOURN**

Member Robinson moved to adjourn the meeting. Member Alejandro seconded the motion. The motion passed unanimously via voice vote.