

7. Emerald is an Illinois corporation and is the holder of an Owner's License that was originally issued to the Jo Daviess Riverboat Joint Venture (the "Jo Daviess Venture") on July 9, 1992. The Jo Daviess Venture was a 50/50 partnership between HP, Inc. ("HP") and Aerie Management Corporation. On or about April 1, 1994, the Board approved HP's purchase of Aerie Management Corporation's 50% interest in the Jo Daviess Venture and HP became the holder of the Owner's License. On or about August 12, 1999, HP changed its name to Emerald Casino, Inc. For purposes of this Disciplinary Complaint, the Jo Daviess Venture, HP and Emerald Casino, Inc. shall be collectively referred to as "Emerald."

FACTS

A. The History of Emerald's Owner's License.

8. On July 9, 1992, Emerald was issued a three-year Owner's License by the Board for a riverboat gaming operation in East Dubuque, Illinois. The Board granted subsequent renewals of Emerald's Owner's License in July 1995 and July 1996.

9. On December 1, 1994, the Board issued a Disciplinary Complaint against Emerald for its failure to obtain prior Board approval to change its equity and debt capitalization and source of funds. Emerald had entered into two loan agreements in July 1994 that were not timely disclosed to, or approved by, the Board. Emerald was fined \$30,000 for these violations.

10. On June 24, 1997, the Board unanimously denied the renewal of Emerald's Owner's License and issued a Notice of Denial on June 27, 1997. Among the reasons alleged for the denial were Emerald's submission of a non-responsive renewal application, significant compliance shortcomings and failure to adhere to the overall requirements of the Act. Emerald ceased gaming operations on July 29, 1997.

11. On August 2, 1997, Emerald exercised its rights and requested an administrative hearing regarding the denial of its renewal application. Throughout the pendency of the administrative hearing process, Emerald retained its status as a licensee by operation of law. In 1999, at the conclusion of the hearings, the Administrative Law Judge concurred with the Board and recommended that the Board take final action to deny the renewal of Emerald's Owner's License.

12. Before the Board issued a Final Administrative Order, however, the Illinois General Assembly amended the Act by adding a provision that provides, in pertinent part, that "a licensee that was not conducting riverboat gambling on January 1, 1998 may apply to the Board for renewal and approval of relocation to a new home dock location...and the Board shall grant the application and approval upon receipt by the licensee of approval from the new municipality or county, as the case may be, in which the licensee wishes to relocate..." 230 ILCS 10/11.2. Section 11.2 of the Act became effective June 25, 1999.

13. Pursuant to Section 11.2 of the Act, Emerald applied for renewal of its Owner's License and for the relocation of its riverboat gaming operation to Rosemont, Illinois. The Board received Emerald's Renewal Application on September 24, 1999. As required by the Act and the Rules, the Board undertook an investigation of Emerald, its Key Persons and current and proposed shareholders. The board denied the renewal of Emerald's Owner's License on January 30, 2001.

B. The Board's Investigation of Emerald.

1. Emerald's Representations Regarding the Selection of Rosemont as the Relocation Site.

14. With regard to Emerald's decision to seek relocation of its gaming operations to Rosemont, Illinois, the Board's staff repeatedly requested Emerald to disclose when and how Emerald first considered and/or chose Rosemont as its proposed location.

15. During the Board's investigation, Emerald, through its representatives, shareholders, directors and Key Persons, including Donald Flynn and Kevin Flynn, continually and repeatedly insisted that Emerald never considered Rosemont as a prospective site until after Section 11.2 of the Act was passed by the General Assembly on May 25, 1999.

16. On or about October 19, 1999, Marvin Davis of the Davis Companies ("Davis"), initiated a lawsuit against Emerald, Donald Flynn, Kevin Flynn and Joseph McQuaid, Emerald's Vice President of Development and Compliance, in the United States District Court for the Northern District of Illinois, designated as Case No. 99 C 6822 (the "Davis Lawsuit"). In its lawsuit, Davis alleges that in 1998, Emerald agreed to issue sufficient shares to give Davis a 37.5% ownership interest in Emerald. Davis also claims that Emerald, through Kevin Flynn, promised Richard Duchossois, owner of the Arlington Race Track, an opportunity to purchase a 20% ownership interest in Emerald if the license was relocated to Rosemont. Finally, Davis alleges that Emerald represented to Michael Colleran, (Vice President of the Davis Companies), that a 5% ownership interest would be distributed to other unspecified "local" investors.

17. Kevin Flynn, when questioned during depositions in the Davis Lawsuit and when questioned by the Board's staff, repeatedly insisted that his involvement with Emerald, if he had any prior to 1999, was minimal. When questioned further by the Board's staff about the Davis Lawsuit, Kevin Flynn acknowledged that he participated in at least two meetings on or about December 1, 1998 concerning ownership interests in Emerald. The participants in these meetings were, on the one hand, Kevin Flynn and, on the other hand, Michael Colleran, David Filkin (General Counsel to Arlington Race Track), and Richard Duchossois. Kevin Flynn represented that no agreements were reached or discussed at the meetings and denied that he agreed to sell to either Davis or Mr. Duchossois ownership interests in Emerald or the option to purchase ownership interests in Emerald.

18. Kevin Flynn also denied that he had the authority to bind Emerald prior to June 23, 1999, the date he was officially appointed as Emerald's Chief Executive Officer. When questioned by the Board's staff about his attendance and/or participation at four of the five Emerald board

meetings held between April 29, 1997 and April 28, 1999, Kevin Flynn represented that he was only present at these meetings because the board meetings of the Flynn's Blue Chip Casino were held in the same office immediately before or after the Emerald board meetings. Kevin Flynn was Chief Executive Officer of the Blue Chip Casino until that casino was sold to Boyd Gaming in 1999.

19. During the Board's investigation, Kevin Flynn also denied that he had discussed or considered Rosemont as a possible location for Emerald's gaming operations prior to 1999. When questioned by the Board's staff, Kevin Flynn acknowledged meeting with Donald Stephens, the Mayor of the Village of Rosemont, in approximately 1997, but represented to the Board that he and Mayor Stephens did not discuss the relocation of Emerald's license to Rosemont. Kevin Flynn represented that his sole purpose for the meeting, and the only subject discussed at the meeting, was the Blue Chip Casino's gaming operations in Indiana.

20. When questioned by Board's staff in February 2000, Donald Flynn acknowledged meeting with Mayor Stephens one year earlier, but represented to the Board that he and Mayor Stephens did not discuss the relocation of Emerald's license to Rosemont. When questioned by Board staff in October 2000, Donald Flynn provided a different account of his meeting with Mayor Stephens. On this occasion, Donald Flynn acknowledged meeting with Mayor Stephens to discuss the relocation of Emerald's license to Rosemont, but insisted that they did not meet until *after* passage of the legislation in late May 1999.

21. With respect to Kevin Flynn's presence at Emerald board meetings, Donald Flynn represented to the Board that the board meetings of Emerald and Blue Chip Casino, "for the most part, met at the same time...and Kevin sat in on most of the [Emerald board] meetings also as a result of that."

22. During its investigation of Emerald, credible and reliable evidence was developed by the Board that some of Donald Flynn's and Kevin Flynn's material representations to the Board, including the representations referenced in this section, were false and misleading. For example, Mayor Stephens' corroborated account of the 1997 meeting with Kevin Flynn provided to the Board's staff is materially different than Kevin Flynn's account, in that Mayor Stephens asserted that the *only* subject discussed at the meeting was the relocation of the Emerald's riverboat gaming operation to Rosemont and that the subject of Blue Chip Casino never came up.

23. Mayor Stephens' account of the meeting with Donald Flynn was also materially different than Donald Flynn's version of their meeting. Specifically, Mayor Stephens stated that the meeting took place *prior to* the passage of Section 11.2 of the Act and that he and Donald Flynn discussed Flynn's desire to operate a casino in Rosemont.

24. With respect to Kevin Flynn's presence at Emerald board meetings, the Board learned that, between April 1997 and April 1999, Emerald held five (5) meetings of its Board of Directors. Kevin Flynn was present and/or participated in four (4) of those meetings. Only one (1) of the five (5) meetings, the Emerald board meeting of April 28, 1999, coincided with a meeting of the Blue Chip Casino Board of Directors. Kevin Flynn's articulated reason for being

present at Emerald board meetings prior to becoming Emerald's Chief Executive Officer in late June 1999 is not supported by the evidence. This evidence also contradicts Donald Flynn's assertions to the Board regarding the reasons for Kevin Flynn's presence at Emerald board meetings.

25. Lastly, the participants in the 1998 meetings with Kevin Flynn, referenced in paragraph 17 above, also provided credible evidence contradicting Kevin Flynn's statements to the Board as to what transpired at those meetings. Specifically, Michael Colleran, David Filkin and Richard Duchossois asserted that Kevin Flynn acknowledged having agreed to sell to Davis an ownership interest in Emerald and to offer an opportunity to purchase a 20% ownership interest to Duchossois.

2. Emerald Improperly Begins Construction in Rosemont and Fails to Disclose Agreements Relating to Rosemont.

26. The Application for Renewal of Emerald's Owner's License required, with respect to certain responses, that Emerald, "describe in detail what steps licensee has taken to verify the accuracy" of those responses. Additionally, Emerald was asked to "[d]escribe licensee's negotiations and dealings with any and all communities in which licensee has initiated steps to locate its gaming operation." Emerald was also asked to "[s]ubmit any agreements between licensee and municipality(ies) regarding funds, revenues or other benefits to be derived from this license." On September 24, 1999, Emerald submitted its Application for Renewal of its Owner's License to the Board.

27. On September 30, 1999, the Board's staff held a meeting with representatives of Emerald, including Walter Hanley, its General Counsel, and John McMahon, its Senior Vice President, Chief Financial Officer and Treasurer. At that meeting, the Board's staff asked whether Emerald had begun construction at the Rosemont site (the "Site"). The Emerald representatives responded by stating that Emerald did not own or lease any land in Rosemont and construction was not yet a part of Emerald's costs. During the same meeting, the Board's staff instructed both Emerald representatives that Emerald should be "over-inclusive" in its submissions to the Board including, but not limited to, all contracts and agreements with or involving Emerald.

28. Emerald, on or about October 18, 1999, without giving notice to, or seeking prior approval from, the Board, began construction of a casino at the Site based, in part, on prior agreements reached with the Village of Rosemont that had not been disclosed to the Board.

29. On October 19, 1999, the Board's staff sent a letter to Emerald requesting, among other things, that Emerald update any information Emerald had regarding agreements reached with governmental entities. Subsequent to this request, on October 29, 1999, Emerald represented only that, "Updating information regarding (Emerald's) ... governmental agreements, ... will be provided when available."

30. On January 31, 2000, Board staff sent another letter to Emerald expressly requesting "a listing of all written and/or oral contracts, arrangements, work orders, change orders, engagements, hires, commissions of work, requests for performance, exchanges of mutual

promises, letters of intent, etc. entered into since July 1, 1999 by Emerald.” Despite this unambiguous request, Emerald failed to disclose to the Board the letter agreements and letter of intent set forth in paragraph 31 below.

31. Documents submitted to the Board by the Village of Rosemont on September 11, 2000, establish that Emerald had entered into various letter agreements with Rosemont between July 1999 and December 1999 regarding construction at the Site. These documents include: (1) a Letter of Intent dated July 21, 1999; (2) a letter agreement dated August 2, 1999; (3) a letter agreement dated August 26, 1999; and (4) a letter agreement dated December 1, 1999. Each of these letter agreements was executed by Mayor Donald Stephens on behalf of the Village of Rosemont and by Joseph McQuaid on behalf of Emerald. Emerald did not produce any of these letters to the Board nor did Emerald provide the Board with any information regarding the above listed agreements with the Village of Rosemont until *December 2000*, more than one year after commencing construction and only after the Board had obtained these letters and this information from the Village of Rosemont in September 2000.

32. The July 21st Letter of Intent demonstrates that as of July 21, 1999, Emerald and Rosemont had reached certain agreements regarding the construction of a casino at the Site. By its own terms, the July 21st Letter of Intent was “intended to memorialize key terms that have been agreed to which are to be incorporated into a Lease and Development Agreement.” Although Emerald submitted its Renewal Application on September 24, 1999, Emerald did not submit the July 21st Letter of Intent to the Board or disclose the letter agreements reached between Emerald and Rosemont until *December 2000*, more than one year after commencing construction and only after the Board had obtained these letters and this information from the Village of Rosemont in September 2000.

33. On February 10, 2000, Emerald submitted to the Board a fully executed copy of the Lease and Development Agreement between Emerald and Rosemont. The Lease and Development Agreement contained many of the same key terms originally memorialized in the July 21st Letter of Intent and reduced to writing the other agreements Emerald and Rosemont reached during their ongoing negotiations between July 1999 and February 2000.

34. In addition to Emerald’s failure to timely disclose the above-listed agreements reached between Emerald and Rosemont, certain terms contained in the Lease and Development Agreement tend to discredit the Illinois gaming industry and/or the State of Illinois. For example, the Agreement allows the Village of Rosemont to waive the requirement that Emerald first obtain the necessary regulatory approval from the Board prior to commencing construction of the casino. The Agreement also commits Emerald to fund the construction of a parking garage addition, even though Emerald did not have sufficient financing dedicated to do so, and fails to provide Emerald with the ability to exercise appropriate supervision or control over the management of the contractor or subcontractors for the casino and parking garage construction project.

35. On February 22, 2000, the Board questioned Emerald’s representatives about what, if any, authority Emerald had relied on in commencing construction on the Site without informing

the Board or seeking Board approval. On or about February 29, 2000, Emerald informed the Board that it had ceased all construction activities at the Site as of that date.

3. Emerald's Failure to Timely and Fully Disclose and/or Seek Approval for the Sale and Purchase of Shares in Emerald.

36. On September 21, 1999, Emerald submitted a letter to the Board that had attached to it a list of shareholders. The list included the names of 63 individuals and one trust. One of the names on the list was that of "Vito Salamone". Next to each name was a number reflecting the number of "shares" and another number reflecting "percentage." The letter accompanying the list did not disclose how any of the individuals or the trust had acquired the ownership interests reflected on the list. The letter also indicated that, "Additional names will be added to the list in the future." Emerald did not request Board approval for the acquisition of shares by, or the transfer of shares to, any of the listed individuals.

37. On September 30, 1999, Emerald sent another letter to the Board. In this letter, Emerald advised the Board that it had "decided not to accept [a particular individual's] application to be one of our shareholders." The letter explained, generally, the circumstances surrounding the company's decision with respect to that individual. The letter also included, however, a statement that, "The following individuals should also be deleted from the list: Howard Warren, Anne O'Laughlin Scott, Richard Forsythe, and Russell Steger." The letter provided no explanation with respect to why these individuals, all original shareholders, "should also be deleted" from the shareholder list provided by Emerald on September 21, 1999. This letter again failed to provide to the Board any information regarding how the individuals on the September 21st shareholder list had acquired their shares. Emerald did not request Board approval for the acquisition of shares by, or the transfer of shares to, any of the listed individuals.

38. On October 4, 1999, Emerald sent another letter to the Board regarding its shareholders. In this letter, Emerald listed all shareholders who were either "minority persons" or females. This list did not indicate how any of the listed individuals had acquired their shares. Emerald did not request Board approval for the acquisition of shares by, or the transfer of shares to, any of the listed individuals.

39. On October 19, 1999, the Board's staff sent a letter to Emerald, expressly requesting a "comprehensive statement of changes in the capitalization of Emerald." Emerald's response on October 29, 1999, disclosed only that certain shares had been acquired or sold, without providing any of the required details to the Board or seeking prior Board approval. In addition, the October 29, 1999 letter included another list of Emerald shareholders. Vito Salamone's name was no longer on the list. Instead, the name "Joseph Salamone" appeared on the list. No explanation was provided by Emerald regarding this change.

40. On November 17, 1999, the Board's staff sent a letter to Emerald requesting a detailed explanation of the various transfers of Emerald's shares referenced in the October 29, 1999 letter. Emerald responded, on December 2, 1999, by providing the Board with copies of share purchase agreements showing sales by Donald Flynn (the "Flynn Share Transfers") to certain individuals (the "Proposed Flynn Shareholders") and sales of shares by Emerald (the "Emerald Share

Transfers”) to certain minority and women investors (the “Proposed Minority Shareholders”). Emerald, however, again failed to seek the Board’s approval for either the Flynn Share Transfers or the Emerald Share Transfers.

41. On December 2, 1999, Emerald also disclosed that Donald Flynn had purchased shares in Emerald from six of the original Emerald investors – Howard Warren, Anne O’Laughlin Scott, Richard Forsythe, Russell Steger, Barton Love and Peer Pederson. Three months after the fact, Emerald identified the basis for its one line statement in its September 30, 1999 letter to “delete” four of these individuals from the list of shareholders. Neither Emerald nor Donald Flynn, however, sought prior Board approval for any of Donald Flynn’s purchases of these shares from the original investors.

4. Emerald’s Failure to Conduct A Proper Investigation of its Proposed Shareholders or to Exercise Appropriate Supervision or Control over the Management of the Contractor or Subcontractors for the Casino and Parking Garage Construction Project.

42. During the pendency of its application for renewal of its Owner’s License, as noted above, Emerald submitted to the Board various lists of proposed shareholders. In submitting these lists to the Board, however, Emerald failed to perform appropriate investigation or due diligence with respect to the proposed shareholders. For example, in response to a question in the application form regarding the accuracy of Emerald’s responses, Emerald acknowledged that, “The Company has delivered to each of its shareholders a Personal Disclosure Form 1 (“PDF-1”) and/or PDF-1 update materials in the form provided... [t]he Company does not review the PDF-1 or update materials of its shareholders.” Similarly, with respect to whether he knew anything about the Proposed Flynn Shareholders, Donald Flynn advised the Board that he did not know anything about them because, “[i]f they were willing to come up with the money, I didn’t really care.”

43. Emerald’s failure to conduct any investigation or due diligence regarding the Proposed Flynn Shareholders resulted in, among other problems, the inclusion of Vito Salamone as a proposed shareholder in Emerald. Vito Salamone has been identified as having connections with known members and associates of organized crime.

44. Emerald’s failure to conduct any investigation or due diligence regarding the Proposed Minority Shareholders resulted in, among other problems, an agreement to sell shares in Emerald to the Sherri Boscarino Trust. The grantor of the trust, Sherri Boscarino, is the wife of Nick Boscarino. Nick Boscarino is an individual who has been identified as a known associate of organized crime. Mr. Boscarino maintains personal relationships and business associations with certain individuals who have been identified as known associates of organized crime, including, but not limited to, William Daddano Jr. Similarly, the failure to undertake appropriate due diligence resulted in the proposed sale of Emerald shares by Donald Flynn to Joseph Salamone, the brother and business partner of Vito Salamone, who, as noted above, has been identified as having associations with known members and associates of organized crime.

45. Emerald also represented to the Board, in its Business Entity Application for Renewal, that no one with any financial interest in Emerald was a public official or a relative of any public officials. In so doing, however, Emerald failed to disclose that two of the Proposed Flynn Shareholders were public officials and one of the Proposed Flynn Shareholders was related to a public official.

46. During the course of its investigation, the Board learned that one of the subcontractors who had been working on the Site was D&P Construction (“D&P”). The owner of D & P, Josephine DiFronzo, is married to Peter DiFronzo and is the sister-in law of John DiFronzo, individuals who have been identified as known members of organized crime. Emerald’s failure to exercise appropriate supervision resulted in work being performed at the Site by D & P.

COUNT I

47. The Board realleges and incorporates herein by reference paragraphs 1 through 46 above as paragraph 47 of Count I.

48. Pursuant to Rule 3000.140(a), the holder of an owner’s license shall have “a continuing duty to disclose promptly any material changes in information provided to the Board.

49. Despite its obligations under Rule 3000.140(a) and repeated requests for information by the Board’s staff, Emerald, by and through certain of its shareholders, directors, representatives and other Key Persons, has engaged in a continuous and repetitive pattern of failing to disclose promptly, if at all, material changes in information provided to the Board or providing false or misleading information to the Board, including, but not limited to, information regarding transfers in and/or agreements to transfer ownership interests in Emerald, the nature of Kevin Flynn's role in Emerald’s activities, the status of construction at the Site, and agreements between Emerald and government entities or municipalities.

50. By failing to comply with Rule 3000.140, Emerald has failed to maintain its suitability for licensure and is subject to revocation of its license pursuant to Section 5(c) of the Act and Subpart K of the Rules.

COUNT II

51. The Board realleges and incorporates herein by reference paragraphs 1 through 46 above as paragraph 51 of Count II.

52. Pursuant to Rule 3000.140(b)(3), the holder of an owner’s license “shall periodically disclose...changes in or new agreements, whether oral or written, relating to:...[c]onstruction contracts.”

53. Despite its obligations under Rule 3000.140(b)(3) and repeated requests for information by the Board’s staff, Emerald, by and through certain of its shareholders, directors, representatives and other Key Persons, repeatedly failed, from September 1999 through January

30, 2001, to provide full, truthful, timely and accurate disclosure of agreements between Emerald and the Village of Rosemont relating to construction at the Site.

54. By failing to comply with Rule 3000.140, Emerald has failed to maintain its suitability for licensure and is subject to revocation of its license pursuant to Section 5(c) of the Act and Subpart K of the Rules.

COUNT III

55. The Board realleges and incorporates herein by reference paragraphs 1 through 46 above as paragraph 55 of Count III.

56. Pursuant to Rule 3000.140(b)(5), the holder of an owner's license "shall periodically disclose...changes in or new agreements, whether oral or written, relating to:...[a]greements to sell...or otherwise transfer or share an ownership interest or interests in a holder of an Owner's License."

57. Despite its obligations under Rule 3000.140(b)(5) and/or repeated requests for information by the Board's staff, Emerald, by and through certain of its shareholders, directors, representatives and other Key Persons, repeatedly failed to accurately, fully and timely disclose agreements between Emerald or Donald Flynn, on the one hand, and various proposed shareholders, on the other hand, relating to numerous and substantial transfers of ownership interests in Emerald.

58. By failing to comply with Rule 3000.140, Emerald has failed to maintain its suitability for licensure and is subject to revocation of its license pursuant to Section 5(c) of the Act and Subpart K of the Rules.

COUNT IV

59. The Board realleges and incorporates herein by reference paragraphs 1 through 46 above as paragraph 59 of Count IV.

60. Pursuant to Rule 3000.235(a)(1), "an ownership interest in...a holder of an Owner's license may only be transferred with leave of the Board...Any individual or entity filing an application for transfer of any ownership interest in...a holder of an Owner's license, must complete...any...information specifically requested by the Board."

61. Despite its obligations under Rule 3000.235(a) and/or repeated requests for information by the Board's staff, Emerald, by and through certain of its shareholders, directors, representatives and other Key Persons, repeatedly failed, from September 1999 through January 30, 2001, to apply for approval of the transfers of ownership interests in Emerald (i) between Donald Flynn and Proposed Flynn Shareholders; (ii) between Emerald and the Proposed Minority Shareholders; and (iii) between Donald Flynn and six original Emerald investors.

62. By failing to comply with Rule 3000.235, Emerald has failed to maintain its suitability for licensure and is subject to revocation of its license pursuant to Section 5(c) of the Act and Subpart K of the Rules.

COUNT V

63. The Board realleges and incorporates herein by reference paragraphs 1 through 46 above as paragraph 63 of Count V.

64. Pursuant to Rule 3000.110 (a), a holder of an owner's license shall be subject to fines, suspension or revocation of its license if it, its agents or its employees engage in activity that would discredit or tend to discredit the Illinois gaming industry or the State of Illinois.

65. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees have failed to cooperate fully with the Board's investigation of Emerald and its Key Persons.

66. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees have failed to fully, truthfully, timely and accurately disclose information to the Board, despite Emerald's continuing obligations under the Rules and numerous requests by the Board's staff.

67. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees have sold or proposed to sell shares of its stock to individuals or entities who are associated with individuals who have been identified as known members and associates of organized crime.

68. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees commenced construction of a casino in Rosemont and expended approximately \$25 million on the construction of the casino without first obtaining the necessary regulatory approval from the Board.

69. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees entered into an agreement that allows the Village of Rosemont to waive the requirement that Emerald first obtain the necessary regulatory approval from the Board prior to commencing construction of a casino.

70. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity that tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees failed to direct, control, manage or supervise the construction at the Site and, by

so failing, allowed work to be completed by an entity that has been identified as having connections to known members or associates of organized crime.

71. From September 1999 through the present, Emerald, its agents or its employees have engaged in activity which tends to discredit the Illinois gaming industry; to wit: Emerald, its agents or its employees executed a lease and development agreement with Rosemont that commits Emerald to fund the construction of a parking garage, even though Emerald did not have sufficient financing dedicated to do so, and fails to provide Emerald with the ability to exercise appropriate supervision or control over the cost or the management of the contractor or subcontractors for the casino construction project.

72. By failing to comply with the Rules, Emerald has failed to maintain its suitability for licensure and is subject to revocation of its license pursuant to Section 5(c) of the Act and Subpart K of the Rules.

SANCTION IMPOSED

WHEREFORE, Emerald Casino Inc.'s Owner's License shall be revoked, said revocation to take affect twenty-one (21) days from the date of service of this complaint, unless an Answer is filed within that period by the licensee pursuant to Subpart K of the Rules.

VOTED BY THE ILLINOIS GAMING BOARD as of the 30th day of January, 2001.

Submitted by:

Approved by:
Illinois Gaming Board

Sergio E. Acosta
Administrator
Illinois Gaming Board

Date: _____