

**MINUTES OF REGULAR MEETING - VIDEO**  
**OPEN SESSION**  
**January 15, 2014**  
**ILLINOIS GAMING BOARD**  
**CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Wednesday, January 15, 2014 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 5<sup>th</sup> floor at 160 N. LaSalle at the Michael J. Bilandic Building, Chicago, Illinois. The Open Session on Video Gaming started at approximately 10:54 A.M. Present were Members Lee Gould, Maribeth Vander Weele and Michael Holewinski. Chairman Aaron Jaffe participated via telephone.

**APPROVAL OF MINUTES –**

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of November 21, 2013 and December 19, 2013.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

**ADMINISTRATOR'S REPORT –**

Administrator Ostrowski reviewed the 2013 year of video gaming. The Administrator stated that 2013 was the first full year in which video gaming was up and running. As of today, we have over 3,900 licensed locations, 3,600 live locations and over 14,000 machines that are functioning. The total tax revenue was just under \$100M. Through last year approximately 7,300 video gaming licensee or designated persons investigations were completed.

**BOARD MEMBERS' COMMENTS –**

Member Holewinski read a statement prepared by the Board:

As you know in November, 2013 Chairman Jaffe proposed changes to rules related to video gaming use agreements.

Staff prepared modifications to the rule. In the rule, staff referenced use agreements and placed restrictions on their formation and assignment. The objective being that any person or entity unvetted in this activity would be vetted and licensed by the Illinois Gaming Board.

A list was to be created of individuals excluded from any involvement in video gambling. A "blacklist" such as in Riverboats; excluding certain individuals from participating in gaming in Illinois. This type of list is in place throughout the country in riverboat gaming and the video gambling industry.

The Board unanimously approved the adoption and sent it to JCAR for approval. Yesterday JCAR declined to approve the rules and suspended their application.

We believe that adoption of such rules were within the Gaming Board's rule-making authority.

Nevertheless, the refusal of JCAR to approve these rules results in a gap continuing to exist in the video gaming industry

Our intention, in terms of moving forward, is to meet with members of the joint committee and their staff to see if there are any technical concerns that can be addressed to obtain the rule approval in this process. We were not made aware of what their objections were. Chairman Jaffe has instructed staff to prepare legislation for introduction into the General Assembly that would codify the contents of the rule in case we are not able to reach an agreement with the committee.

Member Vander Weele asked Administrator Ostrowski to explain the process of submitting rules to the Joint Committee on Administrative Rules (JCAR).

Administrator Ostrowski stated that a committee of legislators from both the House and the Senate make up this panel and review rules that are submitted by Boards and Commissions. Their goal is to make sure that these rules are written within certain confines and do not exceed what is in Statute. There is a combination of representation; they meet monthly, vote on the rules, and the agencies make submissions thru JCAR and work with staff whom works on behalf of the legislators to assist in interacting with the different agency's staff. There are 12 members.

Member Vander Weele went on to say that she is disappointed with the Panel's decision and these modifications were a clarification of what already is in the rules. There was no discussion with the IGB as to any objections by JCAR to these rules. Member Vander Weele went on to say she agrees with the statement read by Member Holewinski and noted that the Board traditionally has viewed a valid use agreement as one between two licensed entities. Member Vander Weele also stated that this is sheer disappointment referencing the decision regarding the modifications of the rules.

#### **SUPPLIER, DISTRIBUTOR AND MANUFACTURER LICNESEE ITEMS –**

- **AGS Illinois, LLLP – Manufacturer, Distributor and Supplier License Renewals**  
Based on staff's investigation, Member Gould moved that **the Board renew the Manufacturer, Distributor and Supplier Licenses of AGS Illinois, LLLP for a period of one year, expiring in January 2015.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Spielo International Canada ULC – Manufacturer License Renewal**  
Based on staff's investigation, Member Vander Weele moved that **the Board renew the Manufacturer License of Spielo International Canada ULC, retroactive to December 2013, for a term of one year, expiring in December 2014.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

## **TERMINAL OPERATOR LICENSEE ITEMS –**

- **Terminal Operator Licensee Renewals**

Based on staff's investigation, Member Gould moved that **the Board approve the renewal of the following Terminal Operator Licensees for a period of one year, expiring in January 2015: Andy's Video Gaming Company; Cardinal Gaming, LLC; Illinois Gaming Systems, LLC; Illinois Video Slot Management Corp.; J&J Ventures Gaming, LLC; M&A Gaming, LLC; Metro East Video Gaming, Inc.; Midwest SRO, LLC; Quad Gaming, Inc.; TAV Gaming, Inc.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Holl Gaming, LLC – New Terminal Operator License**

Based on staff's investigation, Member Vander Weele moved that **the Board approve Holl Gaming, LLC for a Terminal Operator License effective January 15, 2014 for a period of one year, expiring in January 2015.** Member Holewinski seconded the motion. Member Gould abstained. Chairman Jaffe was in favor of the motion. The motion passed.

- **JHey Enterprises, LLC – New Terminal Operator License**

Based on staff's investigation, Member Gould moved that **the Board approve JHey Enterprises, LLC for a Terminal Operator License effective January 15, 2014 for a period of one year, expiring in January 2015.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

## **TECHNICIAN & TERMINAL HANDLER LICENSES –**

- **Approvals & Denials**

Based on staff's investigation, Member Vander Weele moved that **the Board approve 60 applications for Terminal Handler Licenses and that the Administrator issue a Notice of Denial to Michele Kay Carpenter.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call.

## **VIDEO GAMING LOCATION LICENSEE ITEMS –**

- Based on staff's investigation, Member Gould moved that **the Board approve 157 applications for Video Gaming Location Licenses, and that the Administrator issue a Notice of Denial to the following applicants:**

- **Countyline Pub & Grill, Inc.**
- **Doc's Diner, Inc.**
- **Philip Baalman**
- **Randy J. Wasilewski**
- **Springfield Pub, Inc.**
- **La Iguana Sport Bar, Inc.**
- **Wiley-Mumford Post #764 of the American Legion, Inc.**

- **Majestic Theater Arts Business Wedding Chapel, LLC**
- **Guru Krupa Gas & Liquor, Inc.**
- **Shree Gi Krupa Corp.**
- **Donnie Cathey**
- **Luna Properties II, Inc.**
- **Villalva Corp.**
- **The Cellar Room Tavern, Inc.**
- **Len Brown's North Shore Inn and Marina, LLC**
- **RAJ 2012, Inc.**
- **Ulrich's Rebellion Room, Inc.**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Consignments & More, Inc.**

Based on staff's investigation, Member Vander Weele moved that **the Board rescind its denial of Consignments & More, Inc.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

**ADMINISTRATIVE REQUESTS FOR HEARING/REQUESTS TO REAPPLY –**

- **Requests for Hearing**

Based on staff's investigation, Member Gould moved that **the Board deny the request for hearing from Colin Twesten, as he has failed to establish a prima facie case, and deny the request from Consignments & More, Inc. as moot.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Requests to Reapply**

Based on staff's investigation, Member Vander Weele moved that **the Board grant the requests to reapply from Mauremi, Inc., Bopp's Grille & Saloon, Inc. and the Croation Cultural Club and deny the request from Jim A. Johnson.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

At 11:12 A.M. Member Vander Weele motioned to adjourn and Member Holewinski seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,  
 Mary C. Boruta  
 Secretary to the Administrator