

MINUTES OF REGULAR MEETING - VIDEO
OPEN SESSION
August 21, 2014
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS

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

On Thursday, August 21, 2014 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 5th floor at 160 N. LaSalle at the Michael J. Bilandic Building, Chicago, Illinois. The Open Session on Video Gaming started at approximately 10:38 A.M. Present were Chairman Aaron Jaffe, Members Maribeth Vander Weele, Lee Gould and Michael Holewinski.

APPROVAL OF MINUTES – Open Session

Member Gould **moved that the Board approve the open session minutes of its Regular Meeting of July 24, 2014.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT –

Administrator Ostrowski stated that there are 4,461 live locations and 18,097 VGT's up and running.

PUBLIC COMMENTARY –

- Ms. Anita Bedell – Illinois Church Action on Alcohol and Addiction Problems

I wanted to compliment you for the new design of your web site and thank you for your efforts to make the monthly video gambling reports more interactive for the public.

At the June Illinois Video Gambling meeting, we learned that a bowling alley had been denied a renewal of a video gambling license because they failed to maintain a State of Illinois Liquor License. We applaud you for that decision.

What is the board's policy when staff/investigations find that a video gambling establishment has an expired State liquor license? Do you notify the Illinois Liquor Control Commission? Do you shut the video gambling machines off so betting cannot occur in an establishment?

I called the Illinois Liquor Control Commission about this license and they said their computers don't flag a license until the license is 30 days overdue. Was Offie's selling alcohol without a valid liquor license for the 23 days?

A liquor license is a privilege, not a right. The video Gambling Act required bars, restaurants, fraternal and veteran's organizations to have a valid retail liquor license to serve alcohol on

premises before they can apply for a video gambling license. Now many business owners are seeking a liquor license just so they can have video gambling.

When the Video Gambling Act was passed in 2009, the sponsors assured Legislatures, the law would be strictly regulated by the Illinois Gaming Board.

We are concerned that other Video Gambling establishments will become lax in renewing their liquor licenses if the penalties are not more severe-large fine, suspension of video gambling license. I ask that you work with the Liquor Control Commission and also develop a policy for stopping businesses from conducting video gambling without a valid liquor license.

- Frank Vrchota – Illinois Operators, Inc.

Mr. Vrchota addressed the Board. He was requesting permission from the Board to be a licensed video terminal operator and a licensed video location. Chairman Jaffe explained to him that it's the language in the legislation that states the rules and not the Board.

- Illinois Gaming Machine Operators Association –

Mr. Michael Gelatka; President of the Illinois Gaming Machine Operators Association and Owner and Manager of G3 Gaming LLC addressed the Board.

BOARD POLICY ITEM -

- Proposed Amendments to Video Gaming Rules: Sections 220 & 320
Member Holewinski **moved to amend sections 220 and 320 of the Board's rules on video gaming regarding Continuing Duty to Report Information and Minimum Standards for Use Agreements by authorizing staff to submit a proposal for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

MANUFACTURER, DISTRIBUTOR & SUPPLIER LICENSEE ITEMS -

- Bally Gaming, Inc.
Based on staff's investigation, Member Vander Weele **moved to renew the Manufacturer, Distributor and Supplier Licenses of Bally Gaming, Inc. effective August 21, 2014 for a period of one year, expiring in August 2015.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Elite Gaming Technology, Inc.
Based on staff's investigation, Member Gould **moved to renew the Manufacturer License of Elite Gaming Technology, Inc. effective August 21, 2014 for a period of one year, expiring in August 2015.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.
- JCM American Corporation
Based on staff's investigation, Member Holewinski **moved to renew the Supplier License of JCM American Corporation effective August 21, 2014 for a period of one year, expiring in August 2015.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Manufacturer & Distributor Licenses**
Based on staff's investigation, Member Vander Weele **moved to renew the Manufacturer & Distributor Licenses of the following entities effective August 21, 2014 for a period of one year, expiring in August 2015:**
 - **Aristocrat Technologies, Inc.**
 - **IGT**
 - **Konami Gaming, Inc.**
 - **MTD Gaming, Inc.**
 - **WMS Gaming, Inc.**

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

- **Distributor Licenses**
Based on staff's investigation, Member Gould **moved to renew the Distributor Licenses of the following entities, effective August 21, 2014 for a period of one year, expiring in August 2015:**
 - **American Gaming & Electronics, Inc.**
 - **American Vending Sales, Inc.**
 - **H. Betti Industries, Inc.**

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

TERMINAL OPERATOR LICENSEE ITEMS -

- **Donico Gaming, LLC**
Based on staff's investigation, Member Holewinski **moved to renew the Terminal Operator license of Donico Gaming, LLC effective August 21, 2014 for a period of one year, expiring in August 2015.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.
- **G3 Gaming, LLC**
Based on staff's investigation, Member Vander Weele **moved to renew the Terminal Operator license of G3 Gaming, LLC retroactive to May 29, 2014 for a period of one year, expiring in May 2015.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Heck Gaming, LLC**
Based on staff's investigation, Member Gould **moved to accept the proposed settlement agreement from Heck Gaming, LLC; delegate to the Administrator the authority to execute such settlement; and authorize legal counsel to present the executed settlement agreement to the Administrative Law Judge for disposition of this matter, in accordance with the terms of the agreement.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

- Universal Gaming Group, LLC
Based on staff's investigation, Member Holewinski **moved to accept the proposed settlement agreement from Universal Gaming Group, LLC; delegate to the Administrator the authority to execute such settlement; and authorize legal counsel to present the executed settlement agreement to the Administrative Law Judge for disposition of this matter, in accordance with the terms of the agreement. I further move to renew the Terminal Operator license of Universal Gaming Group, LLC retroactive to July 24, 2014 for a period of one year, expiring in July 2015.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

TECHNICIAN & TERMINAL HANDLER LICENSEE ITEMS -

Based on staff's investigation, Member Vander Weele **moved to approve 20 Terminal Handler Licenses and issue a notice of denial to Charles Acord and Phillip Scudella.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

VIDEO GAMING LOCATION LICENSEE ITEMS -

- Based on staff's investigation, Member Gould **moved to approve 78 Video Gaming Location Licenses and issue a notice of denial to the following applicants:**
 - Blarney Island, Inc.
 - Port of Blarney, Inc.
 - Rita Jean Shaw
 - Mt. Carmel Lodge 1155, Loyal Order of Moose, Inc.
 - Green's Tap, Inc.
 - Bateen, Inc.
 - Havana Fuels, Inc.
 - Shivji Corp.
 - Bella Banquets, Inc.
 - Dantone LLC
 - Flatlandrocks, Inc.
 - Last Call for Alcohol, Inc.
 - M.T. Bottles, LLC
 - Mesa Enterprises, Inc.
 - Red Dome Inn LLC
 - Uncle Buck's Sports Bar, Inc.
 - Buck Wild Bar Grill LLC
 - Green Acres Tavern Inc.

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

ADMINISTRATIVE REQUESTS FOR HEARING -

Based on staff's investigation, Member Holewinski **moved to approve the requests to reapply from Village Sportsmens Club and DARTEAM Inc.; and deny the requests to reapply from Glennon Behrman; James Shelton d/b/a Jimbo's; and James**

Shelton d/b/a Silver Moon. Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

DISCIPLINARY ACTIONS -

- Illinois Gaming Investors, LLC
Based on staff's investigation, Member Gould **moved to issue a Disciplinary Complaint to fine Illinois Gaming Investors, LLC \$25,000.00 for its role in authorizing a Terminal Handler to perform service work to a VGT without Board approval or Scientific Games approval, said action to take effect 21 days from the date of service of the Complaint unless an Answer is properly filed within that time period.** Member Holewinski seconded the motion. The Board approved the motion 3-0. Member Vander Weele abstained from voting.
- Gregory Sprinkles, David Zerrusen, & Ryan Mortland, Terminal Handlers
Based on staff's investigation, Member Gould **moved to issue Disciplinary Complaints to fine Terminal Handler licensees Gregory Sprinkles, David Zerrusen & Ryan Mortland for their role in performing service work to a VGT without Board approval or Scientific Games approval, said actions to take effect 21 days from the dates of service of the Complaints unless Answers are properly filed within that time period.** Member Holewinski seconded the motion. The Board approved the motion 3-0. Member Vander Weele abstained from voting.
- Richard Davia, Terminal Handler
Based on staff's investigation, Member Holewinski **moved to issue a Disciplinary Complaint to revoke the Terminal Handler license of Richard Davia for his failure to cooperate with the Board, said action to take effect 21 days from the date of service of the Complaint unless an Answer is properly filed within that time period. Member Vander Weele seconded the motion.** The Board approved the motion unanimously by roll call vote.
- Frank's Star Inc.
Based on staff's investigation, Member Vander Weele **moved to issue a Disciplinary Complaint to revoke the Video Gaming Establishment License held by Frank's Star, Inc. due to its conduct involving illegal gambling, said action to take effect 21 days from the date of service of the Complaint unless a \$5,000.00 is paid or an Answer is properly filed within that time period.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- The Legend II Sports Bar, Inc.
Based on staff's investigation, Member Gould **moved to issue a Disciplinary Complaint to revoke the Video Gaming Establishment License of The Legend II Sports Bar, Inc. for its failure to maintain a State of Illinois liquor license, said action to take effect 21 days from the date of service of the Complaint unless an Answer is properly filed within that time period.** Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

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

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator