

**STATE OF ILLINOIS
ILLINOIS GAMING BOARD**

**IN RE THE PROPOSED
DISCIPLINARY ACTION OF:**

**AINSWORTH GAME
TECHNOLOGY, INC.
Licensed Supplier
Number 18AIN000025**

DC-C-19-050

COMPLAINT FOR PROPOSED DISCIPLINARY ACTION

The Illinois Gaming Board, for its Complaint against AINSWORTH GAME TECHNOLOGY, INC. (“Ainsworth”) states as follows:

NATURE OF ACTION

1. The Illinois Gaming Board (the “Board” or “IGB”) brings this action against Ainsworth for failing to timely submit license renewal materials to the Board in violation of Section 5 of the Illinois Gambling Act (“the IGA”) [230 ILCS 10/1 *et seq.*] and Sections 3000.110 and 3000.241 of the Illinois Gaming Board’s Adopted Rules (“the Rules”) [86 Ill. Adm. Code 3000.100 *et seq.*]
2. The Board brings this action pursuant to Section 5 of the IGA, and Sections 3000.110 and 3000.241 of the Rules.

PARTIES

3. The Board is the Illinois agency responsible for administering, regulating, and enforcing the system of casino gambling in Illinois. Pursuant to Section 5 of the IGA, the Board’s jurisdiction extends to every person, association, corporation, partnership, and trust involved in video gaming operations in Illinois.
4. Ainsworth is a licensed Supplier. As a licensed Supplier, Ainsworth, its employees, and its agents are required to comply with the IGA and the Rules.

FACTS

5. At all relevant times, Daniel Gladstone (“Gladstone”) was Chairman and non-executive Director of Ainsworth.
6. At all relevant times, Samuel Levy (“Levy”) was CEO of Ainsworth.

7. At all relevant times, Johann Graff (“Graff”) was a 52.9% owner of Ainsworth through his 100% ownership of Novomatic AG (“Novomatic”).
8. At all relevant times, AGT Ptd. Ltd. (“AGT”), an Australian holding company, was the 100% owner of Ainsworth.
9. At all relevant times, Ainsworth Game Technology Limited (“AGT, Ltd.”), an Australian publicly traded corporation and a current IGB licensed Supplier, was the 100% owner of AGT and the 100% indirect owner of Ainsworth.
10. At all relevant times Novo Invest GmbH (“Novo Invest”), was an indirect owner of Ainsworth through its 89.96% ownership of Novomatic.
11. At all relevant times, Novomatic held a 52.2% direct ownership of Ainsworth.
12. Ainsworth has been a Licensed Supplier since November 2, 2018.
13. On or about July 10, 2019, IGB staff notified Ainsworth that its Supplier license renewal materials and fees were due on or before August 13, 2019.
14. On or about August 23, 2019, IGB staff emailed Ainsworth inquiring about the status of its overdue renewal materials. Ainsworth responded by informing IGB staff that it could not locate the renewal materials and would undertake an internal investigation.
15. On or about August 30, 2019, Ainsworth emailed IGB staff advising that the renewal materials were nearly complete and ready for submission.
16. On or about September 4, 2019, the IGB received Ainsworth’s renewal fee and certain Supplier license renewal materials (“the September 4 Submission”).
17. On or about September 5, 2019, IGB staff notified Ainsworth that the September 4 Submission was incomplete.
18. Specifically, the September 4 Submission did not include all of the required renewal materials from Gladstone, Levy, Graff, AGT, AGT, Ltd., Novo Invest, and Novomatic.
19. On or about September 5, 2019, the IGB staff also notified Novomatic about the Novomatic materials missing from Ainsworth’s September 4 Submission.
20. On or about September 6, 2019, Novomatic advised IGB staff that the IGB would receive the missing Novomatic materials the following week.
21. On or about September 10, 2019, Ainsworth advised IGB staff that it would send the missing renewal materials to the IGB on September 13, 2019 and that Novomatic’s portion of the renewal materials would be sent under separate cover.

22. On or about September 13, 2019, the IGB received additional materials from Ainsworth to supplement the September 4 Submission (“the September 13 Submission”).
23. On or about September 17, 2019, IGB staff notified Ainsworth that the September 13 Submission was still missing required materials from Levy, Graff, Novo Invest, and Novomatic. IGB staff also requested an explanation why Ainsworth contended that Gladstone should no longer be considered a Key Person of Ainsworth.
24. Between September 18, 2019 and September 25, 2019, Ainsworth continued to supplement its Supplier license renewal submission.
25. On or about September 25, 2019, Ainsworth completed its Supplier license renewal submission.

VIOLATIONS

26. The Board incorporates and alleges paragraphs 5-25 as if fully set forth herein.
27. Rule 3000.110(a)(1) subjects the holder of any license to discipline for failing to comply with or make provision for compliance with the IGA, Board Rules, an owner licensee's Internal Control System or any federal, state or local law or regulation.
28. Rule 3000.110(a)(2) authorizes the Board to issue discipline for any failure to comply with any order or ruling of the Board or its agents pertaining to a Casino gambling Operation.
29. Rule 3000.241(a)(3) requires that renewal materials be submitted at least ninety (90) days prior to the renewal date.
30. Because Ainsworth violated Section 5 of the IGA and Rules 110 and 241(a)(3) by failing to timely submit renewal materials prior to the renewal date, Ainsworth is subject to discipline.

WHEREFORE, based on the foregoing, Ainsworth Game Technology, Inc. should be fined Five Thousand Dollars (\$5,000.00).

Respectfully submitted,

Dated: October 2, 2020



Marcus D. Fruchter
Administrator

NOTIFICATION OF DISCIPLINARY ACTION

Pursuant to the Board's authority under Section 5 of the Illinois Gambling Act, and Rule 3000.110, **AINSWORTH GAME TECHNOLOGY INC.** is hereby fined the amount of \$5,000.

Instead of paying the fine, **AINSWORTH GAME TECHNOLOGY INC.** may file an Answer to this Complaint within 21 days after receipt of this Complaint. If Ainsworth chooses to file an Answer, it will *not* be accepted unless it complies with *every* requirement listed in Section 1125 of the Rules, 86 Ill. Adm. Code 3000.1125. If you file an Answer that complies with all requirements under Rule 1125, a hearing officer will be appointed to conduct a hearing.

Failure to file an Answer or pay a fine of \$5,000.00 within 21 days of receiving this Complaint will result in additional discipline, up to and including revocation of your license.

The fine or the Answer shall be mailed to:

Illinois Gaming Board
c/o Legal Department
160 N. LaSalle St., Suite 300
Chicago, Illinois 60601

Dated: October 2, 2020



Marcus D. Fruchter
Administrator
Illinois Gaming Board