



# ILLINOIS GAMING BOARD

JB Pritzker • Governor Charles Schmadeke • Chairman Marcus Fruchter • Administrator

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## **Regular Meeting, Open Session Minutes Illinois Gaming Board Chicago, Illinois January 27, 2022**

The Illinois Gaming Board convened for a Regular Meeting on Thursday, January 27, 2022 at 9:00 A.M. On January 7, 2022, Governor JB Pritzker issued a statewide disaster proclamation in response to the COVID-19 pandemic. Pursuant to Section 7(e) of the Open Meetings Act, the Board determined it was not practical or prudent, nor was it feasible, to hold an in person meeting due to the ongoing COVID-19 pandemic. Therefore, the Board held the meeting through electronic means. The meeting was accessible on the morning of January 27, 2022, via livestream at: <https://multimedia.illinois.gov/igb/igb-live.html>.

A roll call was taken. The following Board members were present: Chairman Charles Schmadeke, Member Marc Bell, Member Anthony Garcia and Member Dionne Hayden. Four members of the Board being present, a quorum was satisfied.

At approximately 9:01 A.M., Member Bell moved that the Board go into closed session pursuant to Section 2(c), paragraphs (1), (4), (11), (21) and (36) of the Open Meetings Act and Section 6(d) of the Illinois Gambling Act to discuss items on the closed session agenda relating to the employment and performance of a specific employee, evidence received per the Board's adjudicatory authority, pending litigation, the review of closed session minutes of the Regular Board Meeting held on December 8, 2021 and to deliberate on decisions of the Illinois Gaming Board in which there is discussed personal, commercial, financial, or other information obtained from any source that is privileged, proprietary, confidential, or a trade secret; or information specifically exempted from the disclosure by federal or State law. Member Garcia seconded the motion. The Board approved the motion unanimously by voice vote. Thereafter, the Board held its closed session meeting through electronic means, the minutes of which are separately recorded. The Board's closed session meeting was not accessible via livestream at <https://multimedia.illinois.gov/igb/igb-live.html>.

At approximately 10:30 A.M., the Board reconvened its Regular Meeting of Thursday, January 27, 2022 pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.* The meeting was held through electronic means and was accessible via livestream at: <https://multimedia.illinois.gov/igb/igb-live.html>.

Another roll call was taken. The following Board members were present: Chairman Charles Schmadeke, Member Marc Bell, Member Anthony Garcia and Member Dionne Hayden. Four members of the Board being present, a quorum was satisfied.

## **APPROVAL OF OPEN SESSION MINUTES**

The Board voted unanimously to approve the open session minutes from its Regular Meeting held on December 8, 2022.

## **BOARD MEMBER COMMENTS**

None.

## **ADMINISTRATOR'S REPORT**

Administrator Fruchter began his report by giving a brief update on casino expansion highlighting the significant progress that the Board has made in this area. The Administrator Fruchter noted that the new gaming measures signed into law in December 2021 include two long-time initiatives supported by the IGB; namely, the harmonization of gaming licensing for entities holding multiple licenses and the licensing of sales agents under the Video Gaming Act. Within the harmonization portion of the new law, the length of licenses for Terminal Handlers, Technicians and Establishments moves from one year to two years. The license term for all other licenses (e.g., Manufacturer, Distributor, Terminal Operator, etc.) moves from one year to four years. These license terms are consistent with similar licenses within the casino and sports wagering industries. Annual license fees will remain due on an annual basis regardless of the length of the license term. With respect to the licensing of sales agents, the Administrator stated that the new systems, processes and rule makings will be necessary for successful, effective, consistent and coordinated implementation of the law. He noted that the requirements and processes currently in place prior to the passage of the law in December, will remain in place until the Gaming Board is ready to implement this change. The Administrator further noted that the December 2021 legislation permits limited wagering on Illinois collegiate teams under a two year pilot program. Additionally, the bill provides a date certain for the sunset of in person registration for sports wagering account registration.

Administrator Fruchter informed the video gaming industry that the IGB will begin timely enforcement Video Gaming Rules 250(p) and 270(f). These rules require Terminal Operators and Establishments, respectively, to immediately remove VGTs that are out of service or otherwise inoperable for more than 72 hours. Given the dramatic increase in organized retail theft in Illinois and across the country, the IGB believes inoperable VGTs are a target for would-be thieves. The Administrator stated that his comments were made specifically to raise awareness within the industry about this important issue.

The Administrator mentioned that the IGB received public comments relating to the Request for Proposals for the Central Communication System. He noted that those comments are available for viewing on the IGB's website and that the IGB is taking them under advisement.

The Administrator reported that there are currently 7,924 licensed establishments operating approximately 42,349 VGTs. In November 2021, VGTs generated Net Terminal Income ("NTI") of \$205,366,029, which resulted in \$69,825,396 in tax revenue. The State received approximately \$59.5 million, while municipalities received \$10.2 million. Similarly, in December 2021, VGTs generated NTI of \$216,806,326, yielding \$73,714,202 in tax revenue. The State received approximately \$62.8 million and municipalities earned \$10.8 million. Administrator Fruchter further noted that casinos generated Adjusted Gross Receipts ("AGR") of \$103,962,512 in November 2021, which resulted in State tax of \$27,774,950 and local tax of \$5,904,515. In December 2021, casinos had an AGR of \$109,807,610, yielding State tax of approximately \$29.9 million and local tax of \$6.2 million. In November 2021, sports wagering earned the State \$11,899,107 in tax revenues while Cook County received another \$794,407. The sports wagering results for December were not available. For calendar year 2021, excluding sports wagering in December, total tax revenue generated from video gaming, casinos and sports wagering was \$1,232,687,412 with the State earning \$1,037,976,284 in tax revenue while local governments received \$194,711,128.

## **PUBLIC COMMENTARY**

The Board entertained comments from Attorney James P. Murphy, Clark Hill PLC.

### **CASINO**

#### **OWNERS LICENSEE ITEMS**

- Request for Final Consideration of Owners License – 815 Entertainment, LLC d/b/a Hard Rock Casino Rockford

The Board voted unanimously to grant an Owners License to 815 Entertainment, LLC d/b/a Hard Rock Casino Rockford.

- Request to Amend Owners License Application – Full House Resorts, Inc. d/b/a American Place

The Board voted unanimously to approve Full House Resorts, Inc.'s request to amend the application, with the express conditions that FHR-Illinois, LLC shall assume all agreements, commitments, and obligations Full House Resorts, Inc. has with the City of Waukegan, the State of Illinois, or the IGB related to the Waukegan casino project.

The Board additionally voted unanimously to make any prior Board actions, determinations, and findings with respect to Full House Resorts, Inc. be applicable, binding, and transferable to FHR Illinois, LLC.

- Waiver of Illinois Gambling Act Section 6(d) for Section 7.12(c) Written Decision Waukegan applicant selection

The Board voted unanimously to deem it necessary to use and publicly disclose any such information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in connection of its review of Waukegan casino owners license applications solely to the extent necessary to issue a written decision as required under Section 7.12(c) of the Act.

#### **OCCUPATIONAL LICENSEE ITEMS**

##### **Level 2 and Level 3 License Applications – Approvals**

The Board voted unanimously to adopt the staff's recommendation to approve 95 Level 2 and 138 Level 3 occupational license applicants.

##### **Occupational License Renewals by the Administrator**

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Level 1, 2, and 3 licenses of individuals who were licensed or renewed in January 2021 and who have properly updated their applications and complied with the requirements of the Illinois Gambling Act and the Board's Rules.

#### **SUPPLIER LICENSEE ITEMS**

## License Renewals

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Casino Supplier license of AGS, LLC for a period of four years, expiring in January 2026.

## **SPORTS WAGERING**

### **MANAGEMENT SERVICES PROVIDER LICENSE**

- BetMGM, LLC

The Board voted unanimously to grant BetMGM, LLC d/b/a Roar Digital a Management Services Provider license for a period of four years, expiring in January 2026. Furthermore, the Board found the following individuals and entities suitable as key persons:

1. Gary A. Deutsch
2. Gary M. Fritz
3. Adam Bryce Greenblatt
4. Robert G. Hoskin
5. Keith A. Meister
6. Jette Nygaard-Andersen
7. Robert M. Wood
8. MGM Sports & Interactive Gaming, LLC
9. MGM Resorts International
10. GVC Holdings (USA) Inc.
11. Entain Holdings (UK) Limited
12. Entain plc
13. IAC/InterActiveCorp

### **SPORTS WAGERING OCCUPATIONAL LICENSEE ITEMS**

#### Level 2 and Level 3 License Applications – Approvals

The Board voted unanimously to adopt the staff's recommendation to approve 119 Level 2 and 1 Level 3 sports wagering occupational licenses.

#### Level 1, 2, and 3 License Renewals – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Level 1, 2, and 3 Sports Wagering licenses of the individuals who were licensed or renewed in January 2021 who have properly updated their applications and complied with the requirements of the Sports Wagering Act and the Board's Rules.

## **VIDEO GAMING**

### **VIDEO GAMING MANUFACTURER, DISTRIBUTOR, SUPPLIER LICENSE RENEWALS**

### License Renewals – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Video Gaming Manufacturer and Distributor licenses of AGS, LLC for a period of four years, expiring in January 2026.

### **TERMINAL OPERATOR LICENSEE ITEMS**

#### Initial Terminal Operator License

- Lakeview Gaming, LLC

The Board voted unanimously to adopt the staff's recommendation to grant a terminal operator license to Lakeview Gaming, LLC for a period of four years, expiring in January 2026.

### License Renewals – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the following Terminal Operator licenses for a period of four years, expiring in January 2026:

- Admira, LLC
- Andy's Video Gaming Co.
- Heck Gaming, LLC
- Illinois Gold Rush, Inc.
- Illinois Video Slot Management Corp.
- JHey Enterprises, LLC
- J&J Ventures Gaming, LLC
- Lucky Lady, LLC
- Midwest SRO, LLC
- Quad Gaming, Inc.
- Sparrow Gaming, Inc.
- WG-Illinois, LLC

### **TECHNICIANS & TERMINAL HANDLERS**

#### Initial Licenses – Approvals

The Board voted unanimously to adopt the staff's recommendation to approve 1 Technician and 131 Terminal Handler licenses for a period of two years, expiring in January 2024, subject to licensee's payment of the applicable licensing fee on or before February 28, 2022.

### **VG Technicians and Terminal Handler License Renewals – Administrator Delegation**

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the licenses of Technicians and Terminal Handlers who were licensed or renewed in January 2021, for a period of two years expiring in January 2024, who have properly updated their applications and complied with the requirements of the Video Gaming Act and the Board's Rules.

## **VIDEO GAMING ESTABLISHMENT APPLICANT ITEMS**

### **Initial Licenses - Approvals & Denials**

The Board voted unanimously to adopt the staff's recommendation to approve 114 Video Gaming Establishment License applications for a period of two years, expiring in January 2024, subject to licensee's payment of the applicable licensing fee on or before February 28, 2022, and issue Notices of Denial to the following applicants:

1. 101 South Commercial, LLC d/b/a Kay's Place (200701694 – Mt. Vernon)
2. 101 South Commercial, LLC d/b/a Kay's Place (200701729 – Mt. Vernon)
3. 101 South Commercial, LLC d/b/a Kay's Place (210701843 - Harrisburg)
4. 101 South Commercial, LLC d/b/a Kay's Place (210702517 - Lincoln)
5. CJ'S gaming, LLC d/b/a CJ'S Gaming (210701280)
6. Dee's Place South Elgin Inc. d/b/a Dees Place South Elgin Inc )200701209)
7. Jum Group LLC d/b/a Jum Group LLC (210700353)
8. Moe's Café, Inc. d/b/a Moe's Café (210702242)
9. Niko's R & R Supper Club LLC d/b/a Niko's R & R Supper Club (180703978)
10. SS Red Apple LLC d/b/a Red Apple (21700065)
11. Taco Madre Mendota, LLC d/b/a Taco Madre Mendota (200702681)
12. Taxco Restaurant Too, Inc. d/b/a Taxco Restaurant (200700390)
13. Wild Wet Grill Inc. d/b/a Wild West Grill Inc (210701413)

### **VG Location Establishment Applicants – Rescission of Denials**

The Board voted unanimously to adopt the staff's recommendation to rescind its previous denial of HATOOM INC. d/b/a VIP FOOD & LIQUOR and grant a location establishment license.

### **VG Location Establishment Denial – statutorily ineligible**

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator denied the Video Gaming Location Establishment license applications of PRIMAL MATTER, INC. d/b/a SPRINGERS BAR N GRILL and GERRY'S PIZZA, INC. d/b/a GERRY'S PIZZA as the applicants are ineligible under the VGA and Rules.

### **VG Location Establishment Renewals – Administrator Delegation**

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Video Gaming Location Establishment licenses that were licensed or renewed in January 2021 for a period of two years, expiring in January 2024, who have properly updated their applications and complied with the requirements of the Video Gaming Act and the Board's Rules.

### **VG Location Establishment License Non-Renewals**

The Board voted unanimously to adopt the staff's recommendation to deny the renewal of Joken Inc. d/b/a Kens Viaduct Lounge (140701516).

The Board voted unanimously to adopt the staff's recommendation to deny the renewal of POST TIME SPORTS BAR AND GRILLE LLC D/B/A POST TIME SPORTS BAR AND GRILLE LLC (160704150).

The Board voted unanimously to adopt the staff's recommendation to deny the renewal of Mac's Convenience Stores LLC d/b/a Circle K #4701331 (161000288).

#### RULE 320 PETITIONS

- J&J Ventures Gaming, LLC, Petitioner v. Midwest Electronics Gaming, LLC, Respondent, re: Sully's Friendly Tap Inc. d/b/a The Friendly Tavern (19-UP-004)

The Board voted unanimously to adopt the Administrator's Recommended Decision to grant J&J's request to withdraw its petition and make no findings of facts or conclusions of law on the merits of the petition.

- Accel Entertainment Gaming, LLC, Petitioner v. Renville Gaming, LLC, Respondent, re: Goose Lake Association d/b/a Goose Lake (19-UP-014)

The Board voted unanimously to adopt the Administrator's Recommended Decision that the Board grant Accel's request to withdraw its petition and make no findings of facts or conclusions of law on the merits of the petition.

- Illinois Gaming Investors LLC, Petitioner v. Grand River Jackpot, LLC, Respondent, re: Trailblazer Pub, Inc. d/b/a Trailbazer Pub (19-UP-018)

The Board voted unanimously to adopt the Administrator's Recommended Decision to grant Prairie State's request to withdraw its petition and make no findings of facts of conclusions of law on the merits of the petition.

- Randi M. Wagner d/b/a Wagner's Lounge, Petitioner v. Accel Entertainment Gaming, LLC, Respondent, re: Gold Rush Amusement, Inc. agreement (19-UP-024)

The Board voted unanimously to adopt the Administrator's Recommended Decision to dismiss the petition and make no findings of facts or conclusions of law on the merits of the petition.

- Gold Rush Amusements, Inc., Petitioner v. Accel Entertainment Gaming, LLC, Respondent, re: ElPatron Sports Bar, Inc. d/b/a El Patron Slots (19-UP-027)

The Board voted unanimously to adopt the Administrator's Recommended Decision to grant Gold Rush's request to withdraw its petition and make no findings of facts or conclusions of law on the merits of the petition.

#### RULE 340 REQUEST

- Accel Entertainment Gaming, LLC/Gold Rush Amusements, Inc.

The Board voted unanimously to deny Accel Entertainment Gaming, LLC's Rule 340(a) request to obtain an equity interest in Gold Rush Amusements, Inc.

#### LITIGATION

- Villa Napoli L.T.D. v IGB et al. – 2018 CH 03063

The Board voted unanimously to adopt the administrative law judge's recommendation in re the disciplinary action of Villa Napoli L.T.D.

#### **ADJOURN**

The Board voted unanimously to adjourn the meeting.