



# 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 April 28, 2022**

The Illinois Gaming Board convened for a Regular Meeting on Thursday, April 28, 2022 at 9:00 A.M. On April 1, 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 April 28, 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 and Member Dionne Hayden. Three members of the Board being present, a quorum was satisfied.

At approximately 9:01 A.M., Member Hayden moved that the Board go into closed session pursuant to Section 2(c), paragraphs (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 March 10, 2022 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 Bell 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 10:00 A.M., the Board reconvened its Regular Meeting of Thursday, April 28, 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 and Member Dionne Hayden. Three 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 March 10, 2022.

## **BOARD MEMBER COMMENTS**

None.

## **ADMINISTRATOR'S REPORT**

Administrator Fruchter began his report by announcing certain changes to the IGB's staff and organizational structure that will become effective on May 1, 2022. Current General Counsel, Agostino Lorenzini, will become a Senior Special Advisor and will be assisting the Administrator in a variety of capacities. Dan Gerber will become the new General Counsel. Rick Harlovic will be elevated to Deputy General Counsel and will remain as the IGB's Ethics Officer. In addition, the IGB is creating a new Gaming Controls and Technology division that is aimed at coordinating, streamlining and broadening the IGB's capacity in several ways. Once fully staffed, the new unit will be involved with internal controls, certification and testing of gaming equipment, oversight of software, involvement with the Self-Exclusion Program, as well as improving licensing compliance across all of Illinois' gaming disciplines. Jared Smith will lead this new division but will also remain in his role as Director of Sports Wagering.

The Administrator also announced that current Deputy Administrator of Investigations, Scott Deubel, will be retiring as of May 13, 2022 after 30 years with the IGB. Administrator Fruchter thanked Scott for his service to the IGB and congratulated him on his pending retirement. The Administrator also noted that Deputy Administrator of Enforcement Sean Brannon will assume Scott Deubel's role within the IGB.

In January 2022, Administrator Fruchter announced that the IGB would have renewed emphasis on ensuring that inoperable VGTs were removed from locations within 72 hours of being out of service. The Administrator noted that the IGB's staff and Terminal Operators have communicated and cooperated well on this topic, which resulted in high levels of compliance. He thanked all parties for working together.

Administrator Fruchter reported that there are currently 7,925 licensed establishments operating approximately 42,696 VGTs. More than five VGTs are being operated in 4,860 of those licensed establishments. In February 2022, VGTs generated Net Terminal Income ("NTI") of \$202,080,195 which yielded \$68,706,610 in tax revenue. The State received approximately \$58,602,699 in taxes, while local municipalities received approximately \$10,103,911. Illinois casinos generated Adjusted Gross Receipts ("AGR") of \$93,624,249, which resulted in State taxes of approximately \$11,521,255 and local host community taxes of approximately \$5,290,770. Sports wagering generated AGR of approximately \$5.3 million in State tax, with an additional \$383,353 going to Cook County. On a combined basis for January and February 2022, Illinois generated total gaming tax of \$182,480,300, with the State receiving \$151,967,272 and local markets collecting \$30,513,028.

Administrator Fruchter concluded his report by noting that the IGB's next regular meeting is not until June 16, 2022 and that it is possible the meeting will be in-person, but it's too early to make that determination.

## **PUBLIC COMMENTARY**

None.

## **CASINO**

### **OCCUPATIONAL LICENSEE ITEMS**

#### **Level 1 License Applications – Approvals**

The Board voted unanimously to adopt the staff's recommendation to grant Geno Iafrate a Level 1 Occupational license in his position as President of 815 Entertainment, LLC d/b/a Hard Rock Casino Rockford.

The Board voted unanimously to adopt the staff's recommendation to grant Eric Jokisch a Level 1 Occupational license in his position as Regional Internal Audit Director for 815 Entertainment, LLC d/b/a Hard Rock Casino Rockford.

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

The Board voted unanimously to adopt the staff's recommendation to approve **41** Level 2 and **48** 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 April 2021 and who have properly updated their applications and complied with the requirements of the Illinois Gambling Act and the Board's Rules.

## **SPORTS WAGERING**

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

#### **Master Sports Wagering Online Only Licenses**

The Board voted unanimously to adopt staff's recommendation that the Board identify one qualified applicant, Tekkorp Digital Acquisition Corp., LLC d/b/a Caliente Interactive, as a winning bidder in the initial competitive selection for a Master Sports Wagering license issued to an online sports wagering operator.

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

The Board voted unanimously to adopt the staff's recommendation to approve **103** Level 2 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 April 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 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 Entropy Cabinet Solutions Inc., USA for a period of four years, expiring in April 2026.

### **TERMINAL OPERATOR LICENSEE ITEMS**

#### **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 April 2026:

1. Da Route LLC
2. Gaming & Entertainment Management – Illinois LLC
3. Great Lakes Vending, Corporation
4. Lucky Day LLC
5. Midwest Electronics Gaming, LLC
6. Sinbad's Castle Arcade, Ltd.
7. Top Notch Entertainment, LLC
8. T's Gaming, LLC
9. Velasquez Gaming, LLC

### **TECHNICIANS & TERMINAL HANDLERS**

#### **Initial Licenses – Approvals**

The Board voted unanimously to adopt the staff's recommendation to approve **26** Terminal Handler licenses and **1** Technician license for a period of two years, expiring in April 2024, subject to licensee's payment of the applicable licensing fee on or before April 30, 2022, and to issue Notices of Denial to Lynda Ann Michalski and Christopher Anim Okon.

#### **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 April 2021 for a period of two years expiring in April 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 **104** Video Gaming

Establishment License applications for a period of two years, expiring in April 2024, subject to licensee's payment of the applicable licensing fee on or before May 31, 2022, and to issue Notices of Denial to the following applicants:

1. 4MANFRONT LLC d/b/a JAZZY ONE FIVE NINE (210702689)
2. American 2 Distillery, LLC d/b/a American 1 Distillery LLC (210703466)
3. Debra Wells d/b/a DEB'S RED ROSE (210702052)
4. Dundee Sports Bar, Inc. d/b/a Dundee Sports Bar (200702548)
5. MIRAGE RESTAURANT, INC. d/b/a MIRAGE RESTAURANT, INC. (210702515)

#### 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 application of Orchard Stop, LLC d/b/a Orchard Stop, LLC (211003237) as the applicant is 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 April 2021 for a period of two years, expiring in April 2024, who have properly updated their applications and complied with the requirements of the Video Gaming Act and the Board's Rules.

#### RULE 320 PETITIONS

17-UP-001 Hyperactive Gaming, LLC, Petitioner v. Tap room Gaming, LLC, Respondent, Re: Foss Park District d/b/a Foss Park Golf Course;

18-UP-003 Accel Entertainment Gaming, LLC, Petitioner v. Midwest Electronics Gaming, LLC, Respondent, Re: K. D. Taerns Inc. d/b/a Hey Carl's;

18-UP-005 Accel Entertainment Gaming, LLC, Petitioner v. William Stanford III d/b/a Stanford Gaming, LLC, Respondent Re: Malnar's Tap & Restaurant, Inc. d/b/a Malnar's Tap & Restaurant, Inc.;

18-UP-010 Illinois Gaming Investors, LLC d/b/a Prairie State Gaming, Petitioner, v. Lucky Lincoln Gaming, LLC, Respondent, Re: Hibachi Grill and Supreme Buffet, Inc. d/b/a Hibachi Grill and Supreme Buffet;

18-UP-020 and 18-UP-20A Angelle & Green Gaming, LLC, Petitioner-Cross Respondent, v. J&J Ventures Gaming, LLC, Respondent-Cross Petitioner, Re: G & C Liquors, LLC d/b/a Blue Fish Liquors;

19-UP-034 Accel Entertainment Gaming, LLC, Petitioner v. Illinois Operators, Inc. and Cryst, Inc. d/b/a Pepe's Mexican Restaurant, Respondents, Re: Cryst, Inc., d/b/a Pepe's Mexican 2 Restaurant.

The Board voted unanimously to adopt all six of the aforementioned Administrator's Recommended Decisions.

#### **LITIGATION**

### Administrative Law Judge Recommendations

- 20 GB 001 – In re the denial of: Terrence Patrick Maloney, Video Gaming Terminal Handler Applicant

The Board voted unanimously to adopt the staff's recommendation to adopt the administrative law judge's recommended decision as a final Board order.

- 21 GB 009 – In re the denial of MJ HOSPITALITY, LLC, Video Gaming Location Establishment Applicant

The Board voted unanimously to adopt the staff's recommendation to adopt the administrative law judge's recommended decision as a final Board order.

### **ADJOURN**

The Board voted unanimously to adjourn the meeting.