



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 February 9, 2023

The Illinois Gaming Board convened for a Regular Meeting on Thursday, February 9, 2023, at 9:00 A.M. in the Fifth Floor Auditorium of the Michael A. Bilandic Building, 160 N. LaSalle Street, Chicago, IL, and through electronic means pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.* The meeting was accessible on the morning of February 9, 2023, 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 Anthony Garcia, and Member Dionne Hayden. Three members of the Board being present, a quorum was satisfied.

At approximately 9:01 A.M., Member Hayden moved to 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, pending litigation, the review of closed session minutes of the Regular Board Meetings, 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 in person and 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 10:01 A.M., the Board reconvened its Regular Meeting of Thursday, February 9, 2023, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.* The meeting was held in person and through electronic means. The meeting was accessible on the morning of February 9, 2023, 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 Anthony Garcia, 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 minutes from its Regular Meetings held on December 8, 2022.

BOARD MEMBER COMMENTS

None.

ADMINISTRATOR'S REPORT

Administrator Fruchter began the meeting by announcing that future Board meetings will continue to be livestreamed. The Administrator also reminded the industry that license fees and other payments being made to the IGB should not be sent to the IGB's Chicago office. He noted those payments should be sent to the IGB's Springfield office or be made through the Illinois e-pay system (which is available on the IGB's website). Upon request, the IGB can arrange for payments to be made by wire transfer.

Administrator Fruchter then commented on the sales agent rules that recently passed through the Joint Committee on Administrative Rules ("JCAR"). He noted that those rules should be published in the Illinois Register by the end of the month. The Administrator acknowledged that the IGB continues to work internally on certain processes required to implement the rules and as a result, the current process for disclosing sales agents will remain unchanged until the IGB announces it is ready to implement. He also indicated the IGB would provide a reasonable period of time for people to comply with the new process. The Administrator further noted that the new sales agent rules were the culmination of a robust process that included significant collaboration with industry stakeholders and that the intention moving forward is to follow the same collaborative approach in connection with other proposed rules including the vertical integration rules the IGB is proposing.

Administrator Fruchter announced that Sergeant Nate Gibson, Springfield Investigations Supervisor, retired at the end of January 2023. The Administrator and the Board commended Sergeant Gibson for his service over many years.

Administrator Fruchter noted that there are currently 8,225 Licensed Establishments operating an aggregate of 45,104 video gaming terminals ("VGTs"). In December, the VGTs generated Net Terminal Income ("NTI") of \$2,710,266,435, which yielded a total tax of \$79,428,418. The State received \$67,747,864, while local municipalities got \$11,680,553. Illinois casinos produced Adjusted Gross Receipts ("AGR") of \$114,411,776, which generated State tax of \$32,483,102 and host community tax of \$6,490,393. Sports wagering had AGR of \$82,403,727, producing State tax of \$11,534,968 and Cook County tax of \$825,591. Total gaming tax for the period from January-December 2022 was \$1,300,364,972. The State received \$1,087,495,181 while local governments received \$212,869,791.

PUBLIC COMMENTARY

The Board entertained comments from two different speakers; Kevin McGourty and Zach Savella Stallard of Stop Predatory Gambling Illinois.

ADMINISTRATIVE MATTERS

Delegation Matter

The Board voted unanimously to adopt the following resolution to delegate certain authority to the administrator:

WHEREAS, the Illinois Gambling Act [230 ILCS 10/1, et seq.] establishes the Illinois Gaming Board (“the Board”) appointed by the Governor and which has all powers necessary and proper to fully and effectively administer, regulate, and enforce the systems of riverboat and casino gambling, sports wagering, and video gaming; and,

WHEREAS, the Illinois Gambling Act is to benefit the people of the State of Illinois by assisting economic development, promoting Illinois tourism, and increasing the amount of revenues available to the State to assist and support education, and to defray State expenses; and,

WHEREAS, the Illinois Gambling Act empowers the Board to delegate any of its powers under the Act for the purpose of administering and enforcing the Act and rules, and to take any other action as may be reasonable or appropriate to enforce the Act and the rules adopted by the Board; and,

WHEREAS, the Illinois Gambling Act prescribes an Administrator for the Board and mandates that the Administrator shall perform any and all duties that the Board shall assign him or her; and,

WHEREAS, on June 11, 2020, the Board delegated certain powers to the Administrator due to the COVID-19 Pandemic; and

WHEREAS, through the delegation, the Administrator has dutifully and efficiently carried out the delegated powers to best address the constantly evolving needs of the State’s gaming industry; and

WHEREAS, the Board now finds that the Administrator should continue to exercise delegated authority to efficiently and expeditiously carry out the Board’s powers;

THEREFORE, the Board finds that it is in the best interest of the State, its gaming industry, its citizens, and the overall efficacy of the Board to delegate and authorize the Administrator to exercise the following:

- 1) Approve all changes enumerated in Section 3000.230(d)(1) of the Board’s rules;
- 2) Approve any pledge of an ownership interest when the pledge is used as collateral per Section 3000.235(b) of the Board’s rules;
- 3) Issue licenses under the Illinois Gambling Act, the Video Gaming Act, and the Sports Wagering Act to all individuals and entities already licensed by the Board, and to make all suitability findings and approvals necessary thereto;
- 4) Grant land-based gaming requests from Owners licensees per Section 7(e) of the Illinois Gambling Act;
- 5) Authorize an entity with a finding of preliminary suitability to hold any practice gaming session and issue a temporary operating permit after a successful final practice gaming session under Sections 3000.230 and 3000.540 of the Board’s rules;
- 6) Approve requests to withdraw applications per Section 3000.220(e) of the Board’s rules;
- 7) Approve petitions to surrender a supplier’s license per Section 3000.244 of the Board’s rules;
- 8) Issue Notices of Denial to all applicants who, after an appropriate investigation, Staff determined are prohibited by statute or rule from holding the license applied for;
- 9) Grant any request for hearing, and to grant leave to withdraw any hearing request granted;
- 10) Grant leave to reapply for a license;
- 11) Initiate or settle disciplinary proceedings per Section 3000.1110 of the Board’s rules;
- 12) Approve any transfer of ownership in Master Sports Wagering or Master Services Provider or pledge of an ownership interest Master Sports Wagering or Master Services Provider as collateral per

Section 1900.760 of the Board's rules;

- 13) Approve any proposed transaction per Section 1800.340(a) of the Board's rules;
- 14) Permit any petition filed under Section 1800.320(b) of the Board's rules to be withdrawn; and,
- 15) Issue a Final Board Order in any petition filed under Section 1800.320(b) of the Board's rules in instances when no exceptions to the Administrator's Recommended Decision were filed.

This Resolution shall remain in effect until the first regular meeting of the Board in 2024, unless modified by Board.

CASINO

SUPPLIER LICENSEE ITEMS

Initial Supplier License

The Board voted unanimously to adopt the staff's recommendation to grant an initial Casino Supplier license to Medinah Building LLC for a period of four years, expiring February 2027 and further found the following individual suitable as a key person of Medinah Building LLC: Albert M. Friedman.

The Board voted unanimously to adopt the staff's recommendation to grant an initial Casino Supplier license to Medinah Holdings, LLC for a period of four years, expiring February 2027 and further found the following suitable entity and individual suitable as key persons of Medinah Holdings, LLC: Medinah Temple, Inc. and Albert M. Friedman.

RULE 230(d) REQUEST

Wind Creek IL LLC

The Board voted unanimously to adopt the staff's recommendation to waive the two-meeting rule pursuant to Rule 105(f) and approve Wind Creek IL LLC's proposed design changes.

Supplier License Renewal – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Casino Supplier license of Data Financial, Inc., for a period of four years, retroactive to January 2023 and expiring in January 2027. Furthermore, the Administrator found the following individual still suitable as key persons of Data Financial, Inc.: Marc A. Masi.

OCCUPATIONAL LICENSEE ITEMS

Level 1 License Applications – Approvals and Denials

The Board tabled the vote on Nathan Matthew Kirby, Director of IT at FHR-Illinois LLC d/b/a American Place.

The Board voted unanimously to adopt the staff's recommendation to approve Oleh Rostyslav Romaniw as Level 1 Occupational licensee at 815 Entertainment, LLC d/b/a Hard Rock Casino Rockford.

Key Person Approvals

The Board tabled the vote on John Nicholas Ferrucci, Sr. Vice President & Chief Operating Officer of FHR-Illinois LLC d/b/a American Place.

Level 2 and Level 3 License Applications – Approvals and Denials

The Board voted unanimously to adopt the staff's recommendation to approve 29 Level 2 and 38 Level 3 occupational license applicants and to issue Notices of Denial to: Shacorah Shaquanese Enge and Stanly Turner Jr.

Level 2 and Level 3 License Applications – Statutory Denial

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator denied the Level 3 Occupational license application of the following individual deemed ineligible under the IGA and Rules: Kimberly Kay Larsen-Martinsen.

Occupational 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 licenses of individuals who were licensed or renewed in January 2022 or February 2022 who have properly updated their applications and complied with the requirements of the Illinois Gambling Act and the Board's Rules.

SPORTS WAGERING

SWA Level 2 & 3 Applications - Approvals

The Board voted unanimously to adopt the staff's recommendation to approve 95 Level 2 and 1 Level 1 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 2022 or February 2022 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, AND SUPPLIER ITEMS

Video Gaming License Renewals – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator announced the renewal of the Video Gaming Distributor license of Inspired Gaming (USA) Inc. for a period of 4 years, retroactive to September 2022 and expiring September 2026.

Supplier License Renewal – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Video Gaming Supplier license of Illinois Rewards, Inc. for a period of 4 years, expiring in December 2026.

TERMINAL OPERATOR LICENSEE ITEMS

Initial Licenses– Approvals and Denials

The Board voted unanimously to adopt the staff’s recommendation to grant Chi-Lanta Holdings LLC a terminal operator license for a period of four years, expiring February 2027.

The Board voted unanimously to adopt the staff’s recommendation to deny Dodona Gaming LLC a terminal operator license.

The Board voted unanimously to adopt the staff’s recommendation to grant Shree Gaming LLC a terminal operator license for a period of four years, expiring February 2027.

Terminal Operator License Renewals – Administrator Delegation

Pursuant to the authority delegated by the Board on June 11, 2020, the Administrator renewed the Video Gaming Terminal Operator license of Springfield Gaming, LLC for a period of four years, retroactive to December 2022, expiring in December 2026.

TECHNICIANS & TERMINAL HANDLERS

Initial Licenses – Approvals and Denials

The Board voted unanimously to adopt the staff’s recommendation to approve 63 Terminal Handler licenses and 2 Technician licenses for a period of two years, expiring in February 2025, subject to licensee’s payment of the applicable licensing fee on or before March 31, 2023, and issue a Notice of Denial to: Michael Eugene Short, Jr.

VIDEO GAMING ESTABLISHMENT APPLICANT ITEMS

Initial Licenses - Approvals & Denials

The Board voted unanimously to adopt the staff’s recommendation to approve 132 Video Gaming Establishment license applications for a period of two years, expiring in February 2025, subject to the licensee’s payment of the applicable licensing fee on or before March 31, 2023, and issue Notices of Denial to:

1. Beaners Mexican BBQ Inc. d/b/a Chingon BBQ (220700875)
2. C&S GAMING LLC d/b/a LUCKY STREET GAMING (220702554)
3. FROGGER'S PUB LLC d/b/a FROGGER'S PUB LLC (220701615)
4. LUCKY GEM, LLC d/b/a LUCKY GEM LLC (220702979)
5. Wilhelm Industries, Inc. d/b/a Wonder Wash (220703312)

REQUESTS FOR HEARING

The Board voted unanimously to adopt the staff's recommendation to deny Kandila Café, Inc.'s Request for Hearing because it failed to comply with the requirements of Rule 615.

The Board voted unanimously to adopt the staff's recommendation to deny Southwest Gaming Café Inc.'s Request for Hearing because it failed to comply with the requirements of Rule 615.

The Board voted unanimously to adopt the staff's recommendations to deny the Request for Hearing made by MJFO Company 2, LLC d/b/a Patsy's and the Request for Hearing made by Ostry Enterprises LLC d/b/a Patsy's because they failed to establish a prima facie case.

ADJOURN

The Board voted unanimously to adjourn the meeting.