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VILLAGE OF LONG GROVE

November 6, 2013

Mr. David Lothspeich
Village Manager
Village of Long Grove
3110 RFD
Long Grove, IL 60047-9623

Dear Mr. Lothspeich:

In accordance with our previous telephone conversations we respectfully request that you place us on the agenda for your November 19, 2013 meeting.

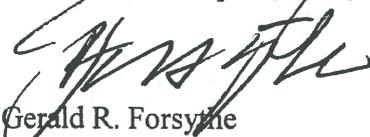
We will arrange for Universal Gaming Group LLC of Chicago to make a Video Gaming Power Point presentation on behalf of the following businesses:

- Long Grove Café
- Village Tavern
- The New: Chatter Box of Long Grove
- The New: Broken Earth Winery

In addition, we will present an artist Rendering of the new Broken Earth Winery Shop.

Thank you for your consideration. We await your response.

New Midwest Capital, LLC,



Gerald R. Forsythe
Member

cc: Bill Hristakos
Mary Ann Ullrich
Chip Ullrich
Steve Besbias
Marsha Forysthe-Fournier
Melissa F. Bernadette

1111 S. Willis Avenue, Wheeling, Illinois 60090 Tel: 847-541-8300 Fax: 847-850-5634

VILLAGE OF LONG GROVE

ORDINANCE NO. 2009-O-33

AN ORDINANCE AMENDING CHAPTER 1 OF TITLE
10 OF THE LONG GROVE VILLAGE CODE REGARDING GAMBLING

Adopted by the President and Board of
Trustees of the Village of Long Grove on
this 8th day of September, 2009

Published in pamphlet form by direction and
authority of the Village of Long Grove,
County of Lake, State of Illinois, on this 9th
day of September, 2009

VILLAGE OF LONG GROVE

ORDINANCE NO. 2009-O-33

AN ORDINANCE AMENDING CHAPTER 1 OF TITLE
10 OF THE LONG GROVE VILLAGE CODE REGARDING GAMBLING

WHEREAS, the Video Gaming Act, 230 ILCS 40/1, *et seq.* (the "*Video Gaming Act*") allows the use of video gaming terminals in certain establishments throughout the State; and

WHEREAS, Section 5 of the Video Gaming Act defines video gaming terminals as "any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only;" and

WHEREAS, Section 27 of the Video Gaming Act provides that a municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality; and

WHEREAS, the President and Board of Trustees of the Village of Long Grove have determined that the best interests of the Village and its residents will be served by amending the Village Code to expressly prohibit video gaming terminals as defined in the Video Gaming Act, and otherwise prohibit gambling within the Village except with respect to such activities allowed under the Charitable Games Act, PA 84-1303;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, COUNTY OF LAKE, STATE OF ILLINOIS, as follows:

SECTION ONE: Recitals. The foregoing recitals are by this reference incorporated into and made a part of this Ordinance as if fully set forth.

SECTION TWO: Amendment of Chapter 1, Title 10 of the Village Code. Chapter 1, entitled "General Offenses," of Title 10, entitled "Police Regulations," of the Long Grove Village Code is hereby amended by adding a new Section 10-1-8, which new section shall hereafter be and read as follows:

10-1-8 GAMBLING PROHIBITED.

Except as expressly permitted pursuant to Chapter 9 of this Title 10, there shall be no gambling of any kind allowed within the Village of Long Grove, including use of any gambling device. A "gambling device" is any clock, tape machine, slot machine or other machines or device for the reception of money or other thing of value on chance or skill or upon the action or which money or other thing of value is staked, hazarded, bet, won or lost, including but not limited to, any video gaming terminal, as defined in the Video Gaming Act, 230 ILCS 40/5; or any mechanism, furniture, fixture, equipment or other device designed primarily for use in a gambling place. A "gambling device" does not include:

- (a) A coin-in-the-slot operated mechanical device played for amusement which rewards the player with the right to replay such mechanical device, which device is so constructed or devised as to make such result of the operation thereof depend in part upon the skill of the player and which returns to the player thereof no money, property or right to receive money or property.
- (b) Vending machines by which full and adequate return is made for the money invested and in which there is no element of chance or hazard.

SECTION THREE: Effective Date. This Ordinance shall be in full force and effect following its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED this 8th day of September, 2009.

AYES: Acuna, Barry, Marshall, Schmitt, Wachs, Weber

NAYS: None

ABSENT: None

APPROVED this 8th day of September, 2009.

ATTEST:

Village President

Village Clerk

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Video Gaming

On July 13, 2009 Governor Pat Quinn signed the Video Gaming Act (Public Acts 096-0034, 096-0037 and 096-0038) (the "Act") making Licensed Video Gaming Terminals legal in Illinois. The Act allows for Licensed Video Gaming Terminals to be placed in certain liquor establishments, truck stops and fraternal/veterans clubs throughout the State. The Illinois Gaming Board (the "IGB" or "Board") has the responsibility of implementing and regulating video gaming in Illinois.

Frequently Asked Questions regarding the Video Gaming Act and Video Gaming License Applications Updated April 2012

Answers to some common and frequently asked questions related to the Video Gaming Act and Video Gaming License Applications are provided below. The following list is non-exhaustive and may be supplemented or updated in the future.

Q1: What is a Video Gaming Terminal?

A1: A "Video Gaming Terminal" ("VGT") is an electronic video gaming machine that plays or simulates the play of a video game authorized by the Board upon the insertion of cash. Authorized video games include, but are not limited to, video poker, line up, and blackjack. The VGT must utilize a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. VGT does *not* include a Terminal that directly dispenses coins, cash, or tokens or is for amusement purposes only.

Q2: Does the IGB have jurisdiction over "amusement only" devices in Illinois?

A2: The IGB does not license "amusement only" devices in Illinois. Questions about the licensure of such devices should be directed to the Illinois Department of Revenue at (312) 814-5232 (Chicago) or (217) 782-3336 (Springfield).

Questions or complaints about amusement only devices that illegally pay out should be directed to the police in the municipality where the Terminals are located.

Q3: When will the IGB adopt Rules for video gaming?

A3: The IGB has adopted Administrative Rules which will dictate how video gaming will operate and be regulated in Illinois. (11 Ill. Admin. Code 1800 *et seq.*) The Rules can be found on the IGB website, at www.igb.state.il.us/VideoGaming. The IGB continues to promulgate additional rules and the text of any pending rule along with information on how to submit comments on the rule is also posted on the IGB website.

Q4: Can local jurisdictions restrict the use of VGTs?

A4: Yes. A municipality may pass an ordinance prohibiting video gaming within the corporate limits of the municipality. A county board may pass an ordinance prohibiting video gaming within the unincorporated areas of the county. Video gaming is not allowed in these communities. The IGB is in

the process of developing a list of such communities and will post the list on its website in the near future.

In addition, a local government may hold a referendum proposing to prohibit video gaming in the municipality. This is otherwise known as an “opt-out” provision. A petition for referendum must be filed in the office of the clerk (municipal or county) at least 90 days before the date of an election. If a majority of the voters vote “YES,” video gaming shall be prohibited within the municipality or county. Petitions to prohibit video gaming shall be public documents. A list of the communities that have opted out of video gaming is posted on the IGB website.

If you have any questions about the status of your community, please contact your local municipal authority.

Q5: What types of licenses will the IGB issue, and when will applications for those licenses be made available?

A5: Applications for Manufacturer, Distributor, Supplier, Terminal Operator and Location licenses are currently available on the IGB website. Applications for Technician and Terminal Handler licenses will be available in the near future. Descriptions of the licenses are as follows:

“Manufacturer.” A manufacturer is an individual, partnership corporation or limited liability company licensed to manufacture or assemble video gaming terminals.

“Distributor.” A distributor is an individual, partnership corporation, or limited liability company licensed to buy, sell, lease, or distribute video gaming terminals, or major components or parts thereof, to or from terminal operators.

“Supplier.” A supplier is an individual, partnership corporation or limited liability company licensed to supply major components or parts of video gaming terminals to terminal operators.

“Terminal operator.” A terminal operator is an individual, partnership corporation or limited liability company licensed to own, service, and maintain video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

“Licensed video gaming location.” A licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, all defined in Question 6, below.

“Licensed Technician.” A licensed technician is an individual licensed to repair, service, and maintain video gaming terminals. A licensed technician is not licensed under the Act to possess or control a video gaming terminal or have access to the inner workings of a video gaming terminal (i.e., the logic area maintained in a separately locked cabinet of the video gaming terminal which houses electronic components that have the potential to significantly influence the operation of the video gaming terminal). As such, licensed technicians can repair, service and maintain VGTs only outside of the innermost locked area of a VGT housing the electronic logic components that have the potential to significantly influence the operation of the VGT. Such repairs and maintenance would include refilling printer paper, repairing bill validators, resetting tilted Terminals, repairing video displays, etc.

“Licensed Terminal Handler.” A licensed terminal handler is a person licensed to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal (i.e., the logic area maintained in a separately locked cabinet of the video gaming terminal which houses electronic components that have the potential to significantly influence the operation of the video gaming terminal.) The category of “licensed terminal handler” may include, but is not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator.

Q6: What types of locations can be licensed to have VGTs?

A6: Video Gaming Terminals may only be placed in the following four categories of Licensed Locations:

“Licensed establishment.” A licensed establishment is any licensed retail establishment where alcoholic liquor is served for consumption on the premises.

“Licensed fraternal establishment.” A licensed fraternal establishment is a location where a fraternal organization that derives its charter from its national parent organization regularly meets.

“Licensed veterans establishment.” A licensed veterans establishment is a location where a qualified veterans organization that holds a charter from its national parent organization regularly meets.

“Licensed truck stop establishment.” A licensed truck stop establishment is a facility of at least three acres with a convenience store, separate diesel islands for fueling commercial motor vehicles, parking spaces for commercial vehicles, and that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month.

Q7: What type of documentation will be required to meet the definition of Licensed Truck Stop Establishment?

A7: An affidavit confirming that the facility is at least 3 acres and has average monthly sales of more than 10,000 gallons of diesel or biodiesel fuel per month (which may be met by showing estimated future sales or past sales). Supporting documentation for these factors must be attached to the affidavit.

Q8: What type of documentation will be required to meet the definition of Licensed Fraternal or Veterans Establishment?

A8: A copy of the most recent letter from the Internal Revenue Service stating that the Applicant organization is either a fraternal benefit society that is exempt from federal income tax under section 501(c)(8) of the Internal Revenue Code, a domestic fraternal society that is exempt from federal income tax under section 501(c)(10) of the Internal Revenue Code, or a veterans organization that is exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code.

Q9: Who needs to obtain a Technician license under the Video Gaming Act?

A9: If an individual is a Licensed Terminal Operator, or is employed by a Licensed Terminal Operator, Licensed Distributor or Licensed Manufacturer, that individual may service, maintain or repair a VGT *without* obtaining a Technician license. Any other individual who services, maintains or repairs a VGT *must* obtain a Technician license under the Act.

Q10: Who needs to obtain a Terminal Handler license under the Video Gaming Act?

A10: Any individual needing access to the inner workings of a VGT. "Inner workings" comprises the logic area inside of a VGT. The logic area has a separate locked compartment inside the VGT which houses electronic components that have the potential to significantly influence the operation of the VGT. The specific electronic components contained in the logic area include: (1) the game's central processing unit(s), (2) communication controller electronics and components housing the communication storage device, and (3) the memory back-up device.

Q11: Can an individual be licensed as a Licensed Technician and a Licensed Terminal Handler?

A11: Yes.

Q12: Does a company who provides ticket payout systems to Licensed Terminal Operators and Licensed Locations need to be licensed?

A12: Yes. Major Components or Parts is defined in the applications as "[c]omponents or parts that compromise the inner workings and peripherals of a Video Gaming Terminal, including but not limited to the device's hardware, software, human interface devices, interface ports, power supply, ticket payout system, bill validator, printer and any component which affects or could affect the result of a Game played on the device." Buying, selling, leasing, or distributing Major Components or Parts requires a license.

Q13: Does a Licensed Distributor who is distributing VGTs also need a Supplier's license to supply replacement parts for the VGTs it distributes?

A13: No. A Licensed Distributor is defined as "[a]n Individual, partnership corporation or limited liability company licensed under the Act to buy, sell, lease or distribute Video Gaming Terminals or major components or parts of Video Gaming Terminals to or from Terminal Operators."

Q14: Can an individual who owns a bar also be licensed as a Terminal Operator?

A14: Yes, as long as the bar in question is NOT a Licensed Video Gaming Location. In other words, the bar in question may not participate in video gaming, regardless of who would serve as its Terminal Operator.

Q15: What are the requirements for licensure under the Act?

A15: Many requirements for licensure are listed in Rule 420 of the Video Gaming Rules. In addition, the following are also requirements for licensure:

(a) Burden is upon applicant. The burden is upon each applicant to demonstrate suitability for licensure. The Board may issue or deny a license under this Act to any person under the same criteria set forth in Section 9 of the Riverboat Gambling Act (230 ILCS 10/9 (West 2008)). In addition, no person may receive a license under the Act if found by the Board to:

(1) Have been convicted of any violation of Article 28 of the Criminal Code of 1961; and/or

- (2) Have a background (including a criminal record, reputation, habits, social or business associations, or prior activities) that poses a threat to the public interests of the State or to the security and integrity of video gaming; and/or
 - (3) Create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; and/or
 - (4) Present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.
- (b) Background investigations. Each person seeking and possessing a license shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. This investigation shall include an applicant's direct and indirect owners, an applicant's officers and directors, and the video gaming manager for a license application.
- (c) Disclosure of financial interests. Each person seeking and possessing a license under the Act shall disclose the identity of every person or entity having a direct ownership interest in the video gaming operation, and shall disclose each person or entity having an indirect interest of more than 1% in the video gaming operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited; if a limited liability company, the names and addresses of all members.
- (d) License application fees:

Manufacturer	\$5,000
Distributor	\$5,000
Terminal operator	\$5,000
Supplier	\$2,500
Technician	\$100
Terminal handler	\$50

- (e) Term of License & Annual license fees. A license must be renewed every year, and the annual fees may not exceed these levels:

Manufacturer	\$10,000
Distributor	\$10,000
Terminal operator	\$5,000
Supplier	\$2,000
Technician	\$100
Licensed establishment (in any category)	\$100
Video Gaming Terminal	\$100
Terminal handler	\$50

Q16: How will the distance restrictions in Section 25(h) of the Act be measured?

A16: Video gaming is restricted from the following locations:

- 1) 1,000 feet of a facility operated by an organization licensee, inter-track wagering licensee, or inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 (230 ILCS 5/1 et seq. (West 2008)) (the Board may waive this restriction in certain circumstances);
- 2) 1,000 feet of the home dock of a riverboat licensed under the Riverboat Gambling Act (230 ILCS 10/1 et seq. (West 2008)) (the Board may waive this restriction in certain circumstances); or
- 3) 100 feet of either a school or a place of worship under the Religious Corporation Act (805 ILCS 110/0.01 et seq. (West 2008)).

These distances will be determined by measuring the distance from a proposed or existing Licensed Video Gaming Location to a preexisting facility, riverboat, school or place of worship by drawing a straight line between the closest part of any building used for the proposed or existing Licensed Video Gaming Location and the closest part of any building used for the facility, riverboat, school or place of worship. When located within a subsection of property by virtue of a lease, deed, or other arrangement (e.g., a tenant in a shopping center or commercial condominium), measurement shall be from the subsection of property (i.e., boundaries of the establishment's leased building premises).

For purposes of these restrictions, “home dock” is interpreted to mean the casino building or vessel (i.e., the building or vessel housing the casino floor).

Q17: Must Licensed Video Gaming Location applicants enter into a signed Use Agreement with a Terminal Operator before they can submit an application to the IGB?

A17: No, a signed Use Agreement is not required for a potential Licensed Video Gaming Location to submit an application. However, a Licensed Video Gaming Location must have a signed Use Agreement with a Licensed Terminal Operator prior to the placement of any VGTs in the Licensed Video Gaming Location’s establishment.

Q18: Do the directors and officers of the parent company of a licensee need to file Personal Disclosure Forms?

A18: For license applications that require Personal Disclosure Forms (e.g., Manufacturer, Distributor, Supplier, and Terminal Operator), if the director or officer of the parent company owns more than 5% of the licensee, then that director or officer will need to file a Personal Disclosure Form.

Q19: If an entity that has been doing business in Illinois for 48 months prior to July 13, 2009 forms a subsidiary to conduct its video gaming business in Illinois (and would therefore be the Applicant for licensure), would that subsidiary meet the residency requirement (i.e., would the subsidiary meet the requirement that it has been doing business in Illinois for 48 months)?

A19: If an entity who meets the residency requirement forms a 100% wholly owned subsidiary to conduct its video gaming business in Illinois, that 100% wholly owned subsidiary meets the residency requirement. Please note that this answer is limited to a 100% wholly owned subsidiary.

Q20: Section 3(c) of the Manufacturer/Distributor/Supplier License Application requires 5% or greater shareholders of a publicly-traded parent company of an applicant to submit a Personal Disclosure Form or Business Entity Disclosure Form. How is this requirement being applied to institutional investors/investment advisors that hold the interest for investment purposes and certify in an SEC Schedule 13-G filing that the interest is not for the purpose of controlling the applicant?

- A20: Pursuant to Rule 520(c), a business entity that qualifies as an institutional investor may submit a Video Gaming Institutional Investor Disclosure Form in lieu of a Video Gaming Business Entity Disclosure Form.
- Q21: Section 5(A) of the Manufacturer/Distributor/Supplier License Application and Section 4(A) of the Business Entity Disclosure Form require financial statements for a period ending 1 month prior to the date of application. Will the most recently filed SEC reports for a publicly traded company satisfy this requirement?**
- A21: Yes. If reference is made to SEC reports, it will be sufficient if the applicant identifies where those reports can be found on the internet.
- Q22: Convertible debt is included in the definition of ownership. Does each person who holds convertible debt have to file a Personal Disclosure Form?**
- A22: The Applicant/Licensee must identify each person who holds convertible debt and provide a copy of the applicable debt instrument(s) and associated agreement(s) with the application or upon issuance of the convertible debt. The Board will make a determination as to the debt holder's influence and/or control over the Applicant/Licensee consistent with section 430 of the Video Gaming Rules. The holder of convertible debt must submit a Video Gaming Personal Disclosure Form and any other required document and receive prior Board approval in order to convert the debt.
- Q23: How long does it take a license to be investigated and approved?**
- A23: The investigation of any application under the Act is a thorough and time consuming process. The length of time it takes the IGB to complete an investigation depends on the type of license applied for, and the complexity of the applicant and any issues involved in the application.
- Q24: How many VGTs will be allowed at each site?**
- A24: Up to five VGTs may be placed at each Licensed Video Gaming Location.
- Q25: Are VGTs allowed anywhere inside a Licensed Video Gaming Location?**
- A25: VGTs must be located in an area restricted to persons 21 years of age and over, the entrance to which is within the view of at least one employee who is at least 21 years of age. The placement of VGTs in Licensed Video Gaming Locations shall be subject to section 810 of the Video Gaming Rules. For all Locations that restrict admittance to patrons 21 years of age or older, a separate restricted area is not required. For all Locations that admit individuals under the age of 21, a physical barrier to the gaming area, including but not limited to a short partition, gate or rope shall be required. No barrier shall visually obscure the entrance to the gaming area from an employee of the Location who is over the age of 21.
- Q26: Are there limits on the hours of operation of a VGT?**
- A26: Yes. Pursuant to Sections 35(b)(2) and 55 of the Act, hours of operation of a VGT must coincide with the legal hours of operation for the consumption of alcoholic beverages on the premises. However, a Licensed Truck Stop Establishment that does not hold a liquor license may operate VGTs on a continuous basis.

Q27: Are multi-game VGTs permitted under the Video Gaming Act?

A27: Yes, provided that the games have been tested and approved.

Q28: Will Licensed Manufacturers need secondary approval for their VGTs?

A28: Yes. All VGTs will need to be (1) certified by Gaming Laboratories International pursuant to the IGB's current Technical Standards for Video Gaming Terminals in Illinois, and (2) approved in writing by the IGB for use in Illinois.

Q29: In what circumstances can VGTs be displayed in Illinois prior to the actual commencement of video gaming in Illinois?

A29: VGTs that are disabled for marketing purposes such that they do not accept money, do not dispense money or payout tickets, or only contain demonstration software that cannot be disabled may, until further notice, be displayed in the following circumstances:

- 1) Licensed Manufacturers, Licensed Distributors, Licensed Terminal Operators and Applicants for a Manufacturer's License under the Act may display VGTs at "trade shows" or similar events as long as the IGB is notified 10 days in advance of the following information, and prior approval by the IGB is obtained:
 - a. the date and location of the event;
 - b. the model and serial number of each VGT involved;
 - c. the manner of transport of each VGT involved;
 - d. a description of how the VGTs will at all times be possessed by and under the control of the applicant for a Manufacturer's License under the Video Gaming Act.

Q30: In what circumstances can VGTs be used in conjunction with focus groups in Illinois prior to the actual commencement of video gaming in Illinois?

A30: VGTs that are disabled for marketing purposes such that they do not accept money, do not dispense money or payout tickets, or only contain demonstration software that cannot be disabled may, until further notice, be used in conjunction with a focus group in the following circumstances:

- 1) Licensed Manufacturers, Licensed Distributors, Licensed Terminal Operators and Applicants for a Manufacturer's License under the Act may use VGTs at "focus groups" as long as the IGB is notified 10 days in advance of the following information, and prior approval by the IGB is obtained:
 - a. the date, time and location of the event;
 - b. the model and serial number of each VGT involved;
 - c. the manner of transport of each VGT involved;
 - d. a description of the purpose of the focus group;
 - e. a description of how the applicant for a Manufacturer's License will be inviting participants;
 - f. a description of the method and amount of compensation of participants, if applicable; and
 - g. any other relevant details regarding the focus group (including but not limited to whether food and beverage will be provided).
- 2) Alcohol must not be provided to participants of focus groups.

Q31: Is compensating or paying a third party a percentage of revenue from a VGT(s) permitted?

A31: Compensating any third party based on a percentage of revenue from a VGT is permitted, however, any third party compensated in such a manner will be required to complete a Video Gaming Personal Disclosure Form or a Business Entity Disclosure Form.

Financing the purchase of VGTs based on a percentage of revenue will not be permitted.

Q32: Has the IGB developed standards to identify an illegal inducement by a Licensed Terminal Operator?

A32: Yes. The IGB's Inducement Policy is posted on its website.

Q33: Are licensees allowed to use player tracking systems or establish "Players' Clubs" or similar programs that provide rewards to customers for repeated play?

A33: Tracking systems and Players Clubs may be authorized by the IGB in the future but are prohibited at this time.

Q34: What types of payout systems will be allowed by the IGB?

A34: A vault-type or kiosk system provided by a Licensed Supplier or Licensed Distributor, that interfaces with the Central Communications System through a site controller, and that dispenses cash. Specifications for payout systems will be posted on the IGB website in the near future.

Pursuant to Section 20 of the Act, a patron must hand a ticket to an appropriate person at a Licensed Location. A patron will not be able to insert a ticket into a payout system by himself or herself. The cash, however, may be dispensed directly to a patron.

Q35: Will a Licensed Manufacturer, Licensed Terminal Operator or Licensed Location be permitted to attach an online monitoring system to the second port of a VGT?

A35: Yes.

Q36: Are Licensed Terminal Operators required to maintain a separate bank account for each Licensed Location, as provided in Rule 250(i)?

A36: The IGB is taking steps to eliminate the Rule that requires Licensed Terminal Operators to maintain separate bank accounts for each Licensed Location it contracts with. However, it is still a requirement that revenues generated from the play of VGTs shall be deposited by the Licensed Terminal Operator in one specially created, separate bank account maintained by the Licensed Terminal Operator to allow for electronic fund transfers of moneys for tax payment.



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Article posted: 9/4/2013 5:30 AM

Barrington to discuss allowing video gambling

By Eric Peterson

Barrington officials Tuesday set the stage for a month of public input and discussion on whether to reconsider allowing video gambling in the village.

Some local bars, including McGonigal's Pub and The Blue Heron Cafe & Lounge, have asked for the reconsideration of Barrington's current ban so as not to lose business to nearby communities that do allow video gambling.

Those closest to Barrington include Fox River Grove, East Dundee, Hoffman Estates and unincorporated Lake County.

"The businesses want it," Barrington Economic Development Director Peg Blanchard said. "They're the ones who brought it forward."

But opposition is also anticipated from gambling critics, like a Villa Park woman who attended Tuesday's meeting in Barrington to argue that the spread of gambling venues increases the number of addicts.

"At a 1 percent addiction rate, which 100 Barrington neighbors are you willing to sacrifice on the altar of profit?" Kathy Gilroy asked. "Do you rank profits for a route operator and Barrington bars as more important than a friend who loses everything to gambling?"

Barrington Police Chief David Dorn said that among the nearby communities allowing video gambling that he checked with, none reported any police calls being generated by the devices.

The village board plans to hear a staff presentation and public input on video gambling in Barrington at its 8 p.m. meeting Monday, Sept. 9, at village hall, 200 S. Hough St.

This will be followed by another meeting of board discussion and more public input at 8 p.m. Monday, Sept. 23, Village Manager Jeff Lawler said.

At this point, a vote on an ordinance seems most likely at the meeting of 8 p.m. Monday, Oct. 14, he added.

Only businesses with liquor licenses are eligible to have up to five video gambling terminals per establishment.

Presently there are 19 eligible businesses in the village. But a more likely number of how many would want such devices is estimated at closer to five, Blanchard said.

Illinois collects a 30 percent tax on the revenue from each device. One sixth of that is paid back to the municipality, with the rest going to the state's capital projects fund.

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Article updated: 9/24/2013 4:50 AM

Barrington hears idea of trying video gambling out for a year

By Eric Peterson

Business interests and advocates continued to dominate the discussion at Barrington's village board meeting Monday on the possibility of allowing video gambling at restaurants with liquor licenses in town.

But Village President Karen Darch said letters and emails she's received on the subject have been a bit more balanced.

Darch is hoping to receive more in the weeks ahead — especially from village residents themselves — but is still uncertain whether the board will be ready to vote on the issue as originally planned at 8 p.m. Monday, Oct. 14.

One thing Darch wants to investigate further is Monday's suggestion by Jim Carlstrom of Barrington Hills that Barrington allow video gambling for one year to test whether it's comfortable with it.

Darch said she's not sure the village can again legally ban video gambling for liquor license holders after removing that ban.

Kathy Gilroy, a Villa Park resident who's spoken about the dangers of gambling addiction at Barrington's last three meetings, said quite a few lawsuits have been generated in places that tried to take away video gambling machines after allowing them.

Gilroy also spoke about new businesses — called gambling cafes — that come into towns and spend very little on food and amenities to compete with existing restaurants with their video machines.

Rick Heidner, the owner of Gold Rush Amusements whose offices are based in Barrington, reminded the board that it still controls who gets a liquor license. He said he operates video gambling machines in more than 100 locations and has had no problems or undesirable incidents at any of them.

Former Barrington Trustee Steve Miller, now a South Barrington resident, said that when Barrington banned video gambling four years ago it was because the state didn't seem to have the infrastructure in place to regulate it.

But Miller argued that has changed, and the machines don't expose anyone to gambling who couldn't find it in many other forms.

"I don't think we're introducing anything new but an opportunity to enjoy the businesses people like to frequent," Miller said.

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Article updated: 10/28/2013 11:30 PM

Barrington to retain video gambling ban

By Eric Peterson

Concerned by how video gambling is regulated by state law, Barrington village board members Monday said they'd be most comfortable standing by their ban of it for the time being.

Most trustees said they'd be willing to revisit the issue, at the request of several village businesses, if state officials looked into and closed perceived loopholes in the existing law.

"I'm not necessarily holding my breath," Trustee Robert Windon said.

Windon and fellow Trustee Jim Daluga said they'd begun their two months of considering the issue leaning toward allowing video gambling at businesses with liquor licenses, as per state law.

But recent news articles highlighting the law's loopholes changed their mind, especially that video gambling can be conducted by business owners "with very shaky backgrounds," Daluga said.

Once a municipality repeals an existing ban, any business with a liquor license can operate up to five video gambling terminals under certain conditions that allow for employee supervision.

"I'm exceedingly uncomfortable equating a liquor license with allowing gambling," Trustee Sue Padula said.

She suggested that in future two types of liquor licenses could be issued — one which allows video gambling as well, and one which doesn't.

Village Attorney James Bateman said that's a suggestion safer to leave to the state rather than Barrington itself trying to implement it.

Trustees Tim Roberts and Paul Hunt were absent from Monday's committee of the whole meeting, but the remaining five board members were in agreement in putting video gambling back on the shelf for now.

Because so many members of the public weighed in on the issue, however, all expressed concern that their decision and its rationale be made known in the community.

Village President Karen Darch said public comments were split almost evenly on the question of allowing video gambling, with most of the support for it coming from nonresident business owners.

"It's definitely been a good experience, an eye-opening experience, to get community feedback," Darch said.

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Article updated: 11/6/2013 12:12 AM

2 Bartlett bars make final pitch for video gambling

By Jessica Cilella

There were a few questions and little comment from the Bartlett village board Tuesday as the owners of two proposed video gambling bars gave their last pitch before their requests were passed along for a final vote at an upcoming meeting.

The board reviewed plans for Maxine's and Elsie's Place, which both want to install five video gambling terminals and serve light food, beer and wine.

Concerns have been brought up by the board and residents over the last few months about the increase of video gambling establishments in town and the proposed locations for Maxine's and Elsie's Place.

Two new video gambling bars with concepts similar to Maxine's and Elsie's Places were approved by the village earlier this year, and five existing establishments have already been granted a state license for video gambling.

Maxine's, which is eyeing a portion of a former Blockbuster store at 801 S. Rt. 59 in the Brewster Creek Shopping Center, is owned by Laredo Hospitality.

"There will be failures in this business," said Gary Leff, chief executive officer of Laredo Hospitality, comparing the video gambling bars to the fad of bagel shops and frozen yogurt businesses. "This isn't a simple business. That's why we've done more than just put video games in."

Leff said the company plans to put more than \$200,000 into the Maxine's if it is approved.

"I would argue that it's going to be a lot tamer than any bar you can put in that center," he said. "We're going to be getting a clean-cut, nice crowd."

The village's plan commission reviewed the plans for Maxine's earlier this month and rejected it with a 5-3 vote. It also rejected Elsie's Place, which wants to open at 225 S. Main St. in a former deli in Bartlett Town Center, with a 7-0 vote.

Because both failed at the plan commission level, it is required that at least four trustees on the board vote yes to the proposals or they will not pass, said Community Development Director Jim Ploncynski.

The biggest concern residents have expressed with Elsie's — which is run by Lieberman Cos. — is its proposed location beneath the Bartlett Town Center Lofts, where at least 16 units are occupied. Trustee Greg Martin also questioned Lieberman President Hal Lieberman about the quality of the food that will be served at Elsie's, which he said will mostly be prepared sandwiches, food on rollers and microwaved items.

"We do believe our food use and our ability to deliver a quality product would be welcome at the Town Center, which as you all know ... is dark in the evening and not only could use the business, but I think we can bring something a little bit different than what is downtown."

He added that the company is dedicated to being a good neighbor to the residents above the proposed bar.

"This is not a location where there's going to be a lot of noise," Lieberman said, adding that the company is willing to adjust hours as needed.

The owners of both the Brewster Creek Shopping Center and the Bartlett Town Center attended the meeting and voiced their support for the respective businesses that want to move into their space.

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Article updated: 11/20/2013 5:30 AM

Bartlett says no to video gambling in Town Center

By Jessica Cilella

After multiple discussions, the Bartlett village board unanimously rejected a proposal Tuesday for a new video gambling bar that was hoping to open in the Bartlett Town Center.

The owners of Elsie's Place wanted to open a location with 11 seats and five video gambling stations at 225 S. Main St. in a former deli unit. The biggest concern residents expressed with Elsie's was its proposed location beneath the Bartlett Town Center Lofts, where at least 16 units are occupied.

Some trustees also questioned the owners about the quality of the food that would be served, which was set to be mostly prepared sandwiches, food on rollers and microwaved items, along with beer and wine.

The village's plan commission also unanimously rejected Elsie's Place at a meeting last month.

Trustee T.L. Arends said that in all the years she has served on the board, she can't remember ever seeing a proposal fail unanimously at the plan commission level. She said she respects the work the commission does, noting that they hold a public hearing and feed the information to the village board.

"Out of respect for their decision and also because I do agree with them that ... it does not promote morals or the general welfare of persons residing or working in the vicinity, for those reasons I will be voting no," she said.

Trustee Michael Camerer agreed that the board should listen to the plan commission because it is a voice for the public and has done its due diligence on the matter.

Trustee Greg Martin said he would like the board to start looking into the possibility of creating a square-footage requirement for each video gambling machine — a suggestion that has been brought up.

"We need to get on the ball because it's just going to help us make these decisions later," he said. "Bartlett is not going to be a little Las Vegas as long as I'm here."

Trustee Aaron Reinke said the fact the village is still grappling with the issue has been heard by people from other communities, who have asked him if Bartlett is having a problem with video gambling. He said the village has to do something to "really get a hold" of the video gambling bar proposals that keep coming in.

"I'm all for supporting business, bringing businesses to town, but I just don't think that this is the right location for that use," he said in response to the Elsie's Place proposal.

Village President Kevin Wallace said he would like the village to look at the possibility of placing a higher fee on each video gambling machine.

"It could, potentially, be a way to sway some of the smaller square-footage places from popping up," he said.

Arends agreed but said the village should be conscious not to penalize the businesses that already have video gambling.

A final vote on the proposal for Maxine's, another new video gambling bar that wants to move into the Brewster Creek Shopping Center, will likely occur next month.

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Article updated: 5/25/2012 6:01 PM

Elk Grove Park District looks into video gambling

By Madhu Krishnamurthy

Elk Grove Park District Board President Bill O'Malley said Friday the district is considering whether to have video gambling machines at Fox Run Golf Links if the village allows video gambling in town.

Commissioners discussed the matter during Thursday night's park board meeting and directed the executive director to look into the application process.

"There was no vote," O'Malley said. "We came to a consensus to allow the executive director to get more information. We feel that we owe it to our residents to at least explore all the potential revenue sources, and that is just one."

Elk Grove Park District may be the first such government entity to venture into video gambling in the state, he added.

Earlier this week, the Elk Grove Village board conducted a public hearing on the issue to gain input from residents and businesses interested in getting video gambling machines. A majority of the residents who attended voiced support for allowing the machines, while many business owners said their survival depended on them.

The Illinois Gaming Board is expected to start handing out video gambling licenses beginning Aug. 1. The state legalized video gambling in 2009 to raise \$31 billion for capital improvements. Nearly 15,000 locations statewide are expected to seek licenses once applications become available, according to the Illinois Gaming Board.

No more than five machines can be placed in licensed truck stops, restaurants with liquor licenses, bars, clubs or halls of fraternal and veterans' organizations.

Fox Run Golf Links Clubhouse has a full-service bar and eatery.

"We chose the golf course because it's a stand-alone facility," O'Malley said. "It's run by an enterprise fund. It would allow us to monitor the gaming and we could see what the profits were and put it right back into our golf course. We've already got cameras out there. It's well monitored."

O'Malley said the park district's interest is purely to secure an additional source of revenue for Fox Run, which though self-sustaining has seen revenues decline in recent years due to the recession.

Within the last nine months, the park district has invested \$1 million into the renovation of nine holes and upgrading of the irrigation system, sand traps and infrastructure at the golf course. Another \$1 million renovation project will begin in October to upgrade the remaining nine holes.

"We've invested a lot of money into the golf course and we are looking for new revenues to offset that," O'Malley said. "We could do more capital projects based on the money that comes in (from video gambling). Why not let some of the profits from video gaming go back into our community instead of a private, third-party corporation."

O'Malley said the park district wouldn't rely on gambling revenues to fund day-to-day operations, but added that the park board hasn't talked about how to spend such revenues.

"We haven't decided anything," O'Malley said. "We're going to continue to be open. We're going to take input from our residents."

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Article posted: 10/30/2013 7:08 PM

Video gambling at Elk Grove golf course edges closer

By Christopher Placek

Fox Run Golf Links in Elk Grove Village could become one of the first publicly owned golf courses in the state to have video gambling machines if approved by the Illinois Gaming Board.

Officials with the Elk Grove Park District, which has operated the golf course at 333 Plum Grove Road since 1983, have been looking into that possibility for more than a year as a way to raise additional revenue.

Plans call for five video gambling machines to be located within the Fox Den bar and grill in a dedicated area off to the side, according to Mike Brotman, the park district's executive director.

Brotman said the park district's application is pending with the gaming board, which still needs to send Cook County sheriff's deputies to inspect the facility before issuing a license. Once the district's gaming license is approved, Brotman said, it could take another 30 to 45 days to install the machines and get them operating.

Park board commissioners and district staff members have interviewed several video gambling vendors, and the board is expected to vote on a contract with one of them, Gold Rush Amusements, during its Nov. 14 meeting.

The previous board voted 3-1 to go forward with video gambling at Fox Run in November 2012.

Officials estimate the park district could reap between \$50,000 and \$75,000 a year from the video gambling machines. The district will receive 35 cents of every dollar made. The vendor and the state will each receive 30 cents, and the village will receive 5 cents.

Brotman said the park board is committed to keeping any revenue generated from the video gambling machines in the golf course operations budget.

While the financial performance of Fox Run is better than most publicly owned golf courses, Brotman said it hasn't done as well as it used to. That's partly because a recently completed \$2 million golf course renovation project has left at least a portion of the course unavailable for use since 2011.

"Not being open two years previous — all 18 holes, all season — we've turned some deficits," he said. "So I think this will help us make sure we continue to keep the latest and greatest equipment, and rotating vehicles out."

The Elk Grove Park District isn't the only governmental entity seeking video gambling licenses. The Chicago Heights Park District has pending applications for video gambling terminals at two golf courses, and the village of University Park is seeking approval for terminals at the University Golf Club and Conference Center, according to the state gaming board website.

A search of the board's website found no other governmental entities currently have video gambling licenses.

Other park districts in the suburbs that operate golf courses "are waiting to see how we do this," Brotman said.

The park district has not yet determined the hours of operation for the Fox Run gambling terminals. State law allows them to be used during the same hours an establishment's liquor license permits alcohol sales.

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Article updated: 11/15/2013 5:41 AM

Elk Grove Village golf course closer to video gambling

By Christopher Placek

The publicly owned Fox Run Golf Links in Elk Grove Village is a step closer to getting video gambling machines.

The golf course, operated by the Elk Grove Park District, would be one of the first public courses in the state to have the machines if the district's application is approved by the Illinois Gaming Board.

On Thursday night, the park board voted 5-0 to approve a three-year contract with Gold Rush Amusements to be the district's video gambling vendor. Gold Rush would install five machines within the Fox Den bar and grill, located in the golf course's clubhouse at 333 Plum Grove Road.

The machines would be located in a dedicated area that is off to the side — a major reason some park board commissioners cited in voting to approve the contract.

"I'm happy where they're putting it," said Commissioner John Walz, who was originally opposed to the gambling machines when they were proposed a year ago. "I was adamant that we don't want minors walking directly past the machines. It's made me come around."

Commissioner Ralph Souder said the golf course bar/restaurant venue was a "more appropriate placement for this kind of recreational opportunity."

Park district officials have been looking into video gambling in an attempt to raise additional revenue for the golf course, which the district has run since 1983.

The previous park board voted 3-1 in November 2012 to go forward with video gambling. In February 2013, the park district put in an application with the state gaming board. The application has been pending ever since.

Officials estimate the park district stands to gain between \$50,000 and \$75,000 a year in revenue. Park board commissioners have said any proceeds would be dedicated to the golf course operations budget.

Gold Rush would train park district employees on customer service, since they would be the ones interacting with patrons. But if there are any problems with the machines, Gold Rush would be automatically notified and an employee sent to do repairs, according to Mike Brottman, the park district's executive director.

"We've taken every precaution that we have a qualified vendor and all our questions are answered," Brottman said.

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