

Illinois Gambling Act (230 ILCS 10)

(230 ILCS 10/5.1) Section 5.1 Disclosure of Records

1. The name, business address and business telephone number of any applicant or licensee.

**Bet J&J, LLC
1500 S. Raney St.
Effingham, IL 62401
(217) 342-2288**

2. An identification of any applicant or licensee including, if an applicant or licensee is not an individual, the names and addresses of all stockholders and directors, if the entity is a corporation; the names and addresses of all members, if the entity is a limited liability company; the names and addresses of all partners, both general and limited, if the entity is a partnership; and the names and addresses of all beneficiaries, if the entity is a trust. If an applicant or licensee has a pending registration statement filed with the Securities and Exchange Commission, only the names of those persons or entities holding interest of 5% or more must be provided.

Bet J&J, LLC is an Illinois limited liability company. Its sole member and manager is J&J Ventures Gaming, LLC. J&J Ventures Gaming, LLC's address is 1500 S. Raney St. Effingham, IL 62401.

3. An identification of any business, including, if applicable, the state of incorporation or registration, in which an applicant or licensee or an applicant's or licensee's spouse or children has an equity interest of more than 1%. If an applicant or licensee is a corporation, partnership or other business entity, the applicant or licensee shall identify any other corporation, partnership or business entity in which it has an equity interest of 1% or more, including, if applicable, the state of incorporation or registration. This information need not be provided by a corporation, partnership or other business entity that has a pending registration statement filed with the Securities and Exchange Commission.

None.

4. Whether an applicant or licensee has been indicted, convicted, pleaded guilty or nolo contendere, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor (except for traffic violations), including the date, the name and location of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition and the location and length of incarceration.

No.

5. Whether an applicant or licensee has had any license or certificate issued by a licensing authority in Illinois or any other jurisdiction denied, restricted, suspended, revoked or

Date: March 1, 2023

not renewed and a statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation or non-renewal, including the licensing authority, the date each such action was taken, and the reason for each such action.

No.

6. Whether an applicant or licensee has ever filed or had filed against it a proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise work out the payment of any debt including the date of filing, the name and location of the court, the case and number of the disposition.

No.

7. Whether an applicant or licensee has filed, or been served with a complaint or other notice filed with any public body, regarding the delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, State or local law, including the amount, type of tax, the taxing agency and time periods involved.

No.

8. A statement listing the names and titles of all public officials or officers of any unit of government, and relatives of said public officials or officers who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with, an applicant or licensee.

None.

9. Whether an applicant or licensee has made, directly or indirectly, any political contribution, or any loans, donations or other payments, to any candidate or office holder, within 5 years from the date of filing the application, including the amount and the method of payment.

None.

10. The name and business telephone number of the counsel representing an applicant or licensee in matters before the Board.

**Paul T. Jenson
Taft Stettinius & Hollister LLP
111 E. Wacker Drive, Suite 2800
Chicago, Illinois 60601
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11. A description of any proposed or approved gambling operation, including the type of boat, home dock, or casino or gaming location, expected economic benefit to the community,

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anticipated or actual number of employees, any statement from an applicant or licensee regarding compliance with federal and State affirmative action guidelines, projected or actual admissions and projected or actual adjusted gross gaming receipts.

Bet J&J, LLC is applying for an online-only Master Sports Wagering license, pursuant to which it intends to offer mobile sports wagering via a "Bet J&J" branded Internet and mobile application. If awarded a license, Bet J&J, LLC anticipates hiring 5-20 employees and projects gross gaming receipts of approximately \$6.7 million to \$15.6 million in its first year of operations. Bet J&J is a newly-formed entity and does not have any employees to date, but upon beginning operations, is committed to ensuring equal opportunity and promoting diversity in a manner that reflects and includes the local community both in employment and vendor purchasing and procurement.

12. A description of the product or service to be supplied by an applicant for a supplier's license.

Not applicable. Bet J&J, LLC is applying for an online-only Master Sports Wagering license.



J&J Gaming

BID SUMMARY

Bet J&J, LLC (the “Applicant”) is pleased to submit a Master Sports Wagering License Application in connection with the Illinois Gaming Board’s (the “IGB”) supplemental open and competitive selection process for an online only Master Sports Wagering License issued pursuant to Section 25-45 of the Sports Wagering Act. The Applicant respectfully submits a bid of \$23,001,101 as a License fee payable to the State of Illinois.

The Applicant is a direct, wholly-owned subsidiary of J&J Ventures Gaming, LLC (“JJVG”), a licensed Terminal Operator under the Video Gaming Act. JJVG has been licensed in this capacity and in perpetual good standing with the IGB since January 2012. JJVG is one of the largest and most successful Terminal Operators in Illinois, home of the largest distributed gaming industry in the country, if not the world. Indeed, the Video Gaming Act has made Illinois a unique gaming jurisdiction and JJVG believes it is a unique gaming company.

If awarded a license, the Applicant will offer mobile sports wagering via a “Bet J&J” branded Internet and mobile application in partnership with Sports Information Services Limited (“Kambi”), a Sports Wagering Supplier applicant currently operating in Illinois pursuant to a Temporary Operating Permit issued by the Administrator on February 19, 2020. Kambi is an award-winning B2B provider of premium turn-key sports betting services. It is the leading sportsbook provider in the U.S., currently operating in 14 states (including Illinois) in partnership with several major sports wagering operators.

JJVG is an experienced and proven gaming operator that is seeking to expand the scope of its overall business by becoming a multi-channel gaming company. As the IGB is aware, JJVG’s affiliates hold distributed gaming licenses in several other jurisdictions, including Pennsylvania, South Dakota and Nebraska. In furtherance of JJVG’s diversification strategy, J&J Ventures Gaming of Ohio, LLC, an affiliate of JJVG recently was awarded a Type C Sports Gaming Proprietor license by the Ohio Casino Control Commission, which authorizes it to operate a distributed sports wagering business in the State of Ohio. The Applicant’s submission to the IGB is consistent with JJVG’s overall business plan to be a diversified, multi-channel provider of gaming experiences.

In conclusion, JJVG is a home grown, Illinois success story. It was founded by Illinois residents whose families have operated small businesses in Illinois for over 90 years. Those founders later partnered with Oaktree Capital Management, a respected global asset management firm, and together have grown JJVG and expanded the scope of its business. We believe JJVG currently pays more gaming tax to the State of Illinois and local communities than any other Illinois gaming licensee, including any casino or sports wagering licensee. JJVG believes its experience in the gaming industry, general business acumen and well established ability to execute on a business plan, coupled with Kambi’s leading and proven technology solutions, will allow the Applicant to be a successful new business for the State, JJVG and its patrons. JJVG is committed to the Applicant’s success and looks forward to the launch of an exciting alternative in the existing sports wagering environment in Illinois.



We appreciate the opportunity to submit this Application and thank the IGB and its staff in advance for their time in reviewing and considering it.

- **Bid Amount:** \$23,001,101

APPLICANT SUMMARY

- **Prospective Revenue:** Applicant has collaborated with Kambi to generate the projected annual revenues set forth below. These projections include low (bear), base, and high (bull) market projections for the proposed online sportsbook.

As a subsidiary of one of the largest licensed video gaming Terminal Operators in the State, the Applicant believes loyal J&J customers and other new patrons will be interested in the Applicant’s competitive online sports wagering product, immediately creating a high or bull market scenario. The Applicant believes video gaming customers are a unique market segment, representing different demographics and a potentially new market (versus the current demographics for which the existing online operators are all feverishly competing for market share). Many of the traditional video gaming customers have not yet been captured by or expressed interest in the existing sports wagering operators and environment. The Applicant believes it can change this mentality. Importantly, J&J’s brand awareness and pervasive presence throughout the State is expected to help foster organic, low-cost growth, resulting in stabilized tax revenue for the State.

We direct your attention to the “J&J Bull Case Scenarios” included in the chart below. Note that, even in the bull case depictions, our assumptions are reasonable and supportable.

Illinois Market Sizing	Y1	Y2	Y3	Y4	Y5	
Online Sports Betting	\$ 894,016,728	\$ 1,007,384,930	\$ 1,124,920,295	\$ 1,242,968,542	\$ 1,305,116,969	
Market Share	Y1	Y2	Y3	Y4	Y5	
J&J Bear Case Scenario	0.75%	1.25%	2%	2.25%	2.50%	
J&J Base Case Scenario	1.3%	3.0%	3.8%	4.3%	4.5%	
J&J Bull Case Scenario	1.75%	4.00%	5.25%	6.15%	6.75%	
Resulting Revenue	Y1	Y2	Y3	Y4	Y5	
J&J Bear Case Scenario	\$ 6,705,125.46	\$ 11,175,209.10	\$ 17,880,334.56	\$ 20,115,376.38	\$ 22,350,418.20	
J&J Base Case Scenario	\$ 11,175,209.10	\$ 26,820,501.83	\$ 33,525,627.29	\$ 37,995,710.93	\$ 40,230,752.75	
J&J Bull Case Scenario	\$ 15,645,292.74	\$ 35,760,669.11	\$ 46,935,878.21	\$ 54,982,028.76	\$ 60,346,129.13	
Tax Benefit to the State (15%)	Y1	Y2	Y3	Y4	Y5	Five Year Total
J&J Bear Case Scenario - State Tax Benefit	\$ 21,005,768.82	\$ 1,676,281.36	\$ 2,682,050.18	\$ 3,017,306.46	\$ 3,352,562.73	\$ 31,733,969.55
J&J Base Case Scenario	\$ 21,676,281.36	\$ 4,023,075.28	\$ 5,028,844.09	\$ 5,699,356.64	\$ 6,034,612.91	\$ 42,462,170.29
J&J Bull Case Scenario	\$ 22,346,793.91	\$ 5,364,100.37	\$ 7,040,381.73	\$ 8,247,304.31	\$ 9,051,919.37	\$ 52,050,499.69

The above includes a base license fee of \$20m in Year 1. Note, however, that Applicant’s bid for the online only Master Sports Wagering License is \$23,001,101, so the projections in Year 1 are even higher than as depicted.



J&J Gaming

- **Experience:** The Applicant's parent company is an experienced gaming company that has operated under the IGB's regulation for over a decade. It is arguably the largest and most successful Terminal Operator in the unique and incredibly competitive Illinois video gaming market. JJVG takes pride in its ability to succeed in this market and its commitment to regulatory compliance is second to none.

JJVG's founders operated a fledgling business in a new industry in which all participants, including the IGB, were inexperienced and learning on a daily basis. Those founders, who have since teamed with a sophisticated, experienced business partner in Oaktree, are better prepared to succeed in a sports wagering environment that has been in operation for a period of time. JJVG has proven to the IGB that it can execute on its business plan and maintain its commitment to regulatory compliance in every way.

Further, the Applicant believes it has selected the best sports wagering technology platform in existence today in Kambi. The Kambi platform already operates successfully in Illinois and is a known commodity to the IGB. In short, Kambi provides the Applicant with the best technology available, but also unrivaled experience in sportsbook operations.

As mentioned, the Applicant is committed to the success of this new venture. It intends to enter into vendor relationships with other leading providers of sportsbook services, such as a Player Account Management provider. These vendors are likely to be known and respected by the IGB. The Applicant intends to engage with the industry's best.

We believe the combination of experience from historical Illinois resident founders, a sophisticated business partner in Oaktree and a proven technology platform partner in Kambi provides a formidable offering that will succeed if the IGB awards the Applicant with a Master Sports Wagering License.

- **Diversity:** The Applicant is a wholly-owned subsidiary of JJVG. One of JJVG's largest individual owners, Kay Jansen, is a female. Mrs. Jansen, an accomplished businesswoman and investor, has been part of JJVG's ownership since its inception.

JJVG's (and the Applicant's indirect) majority owner is affiliated with Oaktree Capital Management, L.P. (collectively with its affiliated management companies and investment vehicles, "Oaktree"), an SEC-registered investment advisor. As a whole, Oaktree's clientele includes 67 of the 100 largest U.S. pension plans, 40 U.S. state retirement plans, over 400 corporations and/or their pension funds, over 300 university, charitable and other endowments and foundations, and 15 sovereign wealth funds. These investors represent a diverse array of individuals who have entrusted Oaktree with retirement savings.



The Applicant and JJVG understand the importance of the role diversity plays in a modern business, and will seek opportunities to involve minority persons, women, persons with disabilities, and veterans in the Applicant's organization and operations in a meaningful way. The well-known quote "Diversity is not just the right thing to do but right for business" is a true statement and the Applicant intends to build its business with this mindset.

- **Affirmative Action Plan:** The Applicant is a newly-formed entity and does not have any employees or operations to date. However, as mentioned, the Applicant is committed to diversity in the workplace and recognizes that diversity comes in many different forms. Its parent company, JJVG, has long believed in promoting people from within and investing in its long-time employees. There are many examples of current executives, including some of the Applicant's Key Persons, who began their tenures within the J&J organization in entry-level jobs. Frankly, JJVG believes one of the primary reasons for its success is its commitment to training and promoting from within, but also being able to add talented individuals without changing its long-established culture.

Importantly, JJVG has also seen several women rise to executive-level positions. A member of its board is female, as is one of its principal (and historical) owners, Kay Jansen. JJVG has several women serving in executive-level positions. JJVG's founders have been operating small Illinois businesses for over 90 years. No other gaming licensee is likely able to trace its roots to Illinois origins like the Applicant.

The Applicant wants its workforce to resemble Illinois' demographics, and if awarded a Master Sports Wagering license, will continue its efforts in that regard. In furtherance, please see the attached Diversity Plan that the Applicant intends to adopt. This Diversity Plan is robust and comprehensive. It demonstrates the Applicant's commitment and dedication to a diverse workplace. The Diversity Plan is designed to achieve the Applicant's twin goals of ensuring equal opportunity and promoting diversity in a manner that reflects and includes the local community.

- **Financing:** The Applicant's operations are anticipated to be financed by and through JJVG. JJVG's primary sources of liquidity and capital resources have been cash on hand, cash flow from operations, and borrowings under its existing credit facility. JJVG is well-financed and believes it has the unique ability to increase its financial wherewithal even in challenging economic environments. The IGB should be confident the Applicant will be able to perform if it is granted a Master Sports Wagering License.
- **Other Factors for Consideration:** The Applicant and JJVG are home grown, Illinois companies. Unlike most of the existing competitors in the Illinois sports wagering industry, the Applicant's roots are in-state. Moreover, JJVG operates a regulated gaming business throughout the entire State of Illinois. It is already part of the fabric of those communities, generating significant local tax revenues used by those communities to better the lives of their citizens. No other existing sports wagering licensee is better suited to provide and enhance community engagement than JJVG. In addition,



J&J Gaming

JJVG already employs hundreds of Illinois residents. Its commitment to in-state employment is unrivaled in the sports wagering industry.

In conclusion, granting a Master Sports Wagering License to the Applicant is in the best interests of the State of Illinois. JJVG is a proven business and believes it deserves the opportunity to participate in the sports wagering industry. We believe the Applicant will succeed and the IGB will be proud it selected the Applicant's bid.

BET J&J, LLC DIVERSITY PLAN

INTRODUCTION

Bet J&J, LLC (the "Company") is an applicant for a Master Sports Wagering License under Section 25-45 of the Sports Wagering Act. The goals underlying this Diversity Plan (the "Plan") are to ensure equal opportunity and to promote diversity in a manner reflective of the State of Illinois.

The Company supports diversity and inclusion with considerable attention given to individuals and groups that historically have been the targets of discrimination, racism, sexism, and harassment. For purposes of this Plan, diversity specifically focuses on differences among people with respect to age, sex, culture, race, ethnicity, religion, color, disability, national origin, ancestry, sexual orientation, and veteran status. Minority and female business enterprises may claim Minority Business Enterprise ("MBE") and Woman Business Enterprise ("WBE") status if they meet the guidelines established under Illinois law.

STRATEGIES FOR SUCCESS

The Company seeks to achieve its twin goals of ensuring equal opportunity and promoting diversity in a manner that reflects and includes the local community. The two focus areas of this Plan are:

- Employment
 - Build and enhance relationships within the community to raise awareness and identify potential candidates for employment.
 - Foster an inclusive work environment that results in both personal and business success.
- Procurement/Vendor Purchasing
 - Build and enhance relationships within the community to raise awareness and identify qualified vendors.
 - Include minority and women business enterprises, as well as other diverse groups.
 - Ensure that all qualified vendors are given equal access to bid on our business.

EMPLOYMENT/WORKFORCE DIVERSITY

EMPLOYMENT MISSION

The Company is committed to recruiting, developing, and retaining the most qualified employees regardless of race, color, religious creed, ancestry, age, sex national origin, disability, or military status. The Company provides all applicants and employees with equal opportunity in recruitment, selection, appointment, promotion, training, delegation, discipline, and separation. The Company also makes every effort to hire and promote minority groups and women, and to involve them in every level of employment and decision-making.

In furtherance of its goal of providing equal employment opportunities for all persons and in order to ensure that all members of the community are aware of employment vacancies, the Company may post employment opportunities in newsprint, radio, tv/media, and/or internet. Additionally, the Company's recruiting efforts may also include, but are not limited to:

- Attendance at community job fairs sponsored by local institutions of higher education, trade schools, media, and diversity groups;
- Membership in area chambers of commerce;
- Executive leadership participation in speaking engagements at local institutions of higher education and trade schools.

EMPLOYMENT GOALS

The Company continues to strive to maintain a workforce that reasonably reflects the diversity of its community and surrounding areas.

TRAINING, DEVELOPMENT, AND RETENTION EFFORTS

The Company's education and training efforts focus on developing a high-functioning, service-oriented diverse workforce. In furtherance of this goal, the Company's efforts may include conducting diversity training designed to foster a welcoming environment to its management team with an emphasis on managing a diverse workforce by reinforcing consistency and fairness in the workplace, generational diversity, and how to manage effective teams in a service environment, as well as providing employees with departmental training that allows them to successfully integrate into their new departments. Employees are strongly encouraged to apply for open vacancies whenever possible and the Company provides training opportunities to employees, so they can develop the skills necessary to advance within the company.

WORKPLACE INCLUSION

The Company's management team is responsible for fostering an inclusive environment where all team members feel valued and respected. Leadership is expected to consider diverse perspectives in decisions affecting team members. Leadership is expected to foster an environment that inspires and engages team members to reach their full career potential. Leadership is expected to truly get to know and learn about their employees and maintain a two-way dialogue.

EQUAL EMPLOYMENT OPPORTUNITY

The Company affirms its commitment and pledges its full support of equal employment opportunity for all persons, regardless of race, color, religious creed, ancestry, age, sex, national origin, disability, or military status.

COMPLAINT PROCEDURE

If any person believes he or she has been subject to harassment or discrimination, the individual should report the incident to his or her immediate supervisor. In the event a satisfactory solution is not achieved, or if the nature of the problem is such that the individual is uncomfortable reporting it to the supervisor, the individual is encouraged to report the issue to the Diversity Officer (or another designated employee). All complaints will remain confidential. The Company prohibits retaliation against any complainant or participant in the complaint process.

PROCUREMENT/VENDOR PURCHASING

The Company considers quality, service, dependability and price as the main components of any vendor relationship. The Company's goal is to ensure that all qualified vendors are given equal opportunity to bid on products and services utilized by the Company.

CONCLUSION

The Company works as a team to develop a high-performing, inclusive work environment reflective of its diverse community. We strive to create a company culture where all ideas and all contributions are valued. Our commitment to making inclusiveness the foundation of our culture is driven not only from our desire to enhance the community, but also from its importance to maintaining a sound business strategy.