



221 West Capitol Avenue, Suite 101
c/o 1320 East Sioux Avenue
Pierre, South Dakota 57501-3185
Phone: 605-773-6050
Fax: 605-773-6053

**South Dakota Commission on Gaming Quarterly Business Meeting
Administrative Hearings and Proposed Rules Hearing Meeting
Deadwood City Hall, Deadwood, South Dakota**

MINUTES
November 28, 2012

At 09:00 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Harry Christianson, Commissioner Dennis Duncan, and Commissioner Tim Holland were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement.

ADMINISTRATIVE HEARINGS

The court reporter for the hearings was Jean Carlson. The following cases were scheduled to be heard:

- SDCOG vs. Angel Stoltenberg
- SDCOG vs. Patrick Jensen
- Appeal of Denial of Renewal of Support License by Paul Wojton

SDCOG vs. Angel Stoltenberg

Commission Attorney, Michael Shaw, said he was advised by Greg Sperlich, licensee attorney, that Mr. Sperlich and Ms. Stoltenberg would not be attending the hearing. A complaint was filed alleging that on September 21, 2012 the licensee was convicted of the charge of Grand Theft, a felony, by a jury in Lawrence County for a theft which occurred at the Gold Dust, a licensed gaming establishment at which she was employed. Staff recommended that her support license be revoked. Commissioner Christianson made a motion that Ms. Stoltenberg's support license be revoked. Commissioner Crew seconded the motion which carried unanimously.

SDCOG vs. Patrick Jensen

Mr. Jensen was not present for the hearing. A complaint was filed alleging that on September 15, 2012 that licensee stole a ticket with a value of \$300 from a slot machine at the Lodge at Deadwood, a licensed gaming establishment at which he was employed. Staff recommended that his key license be revoked. Commissioner Christianson made a motion that Mr. Jensen's key license be revoked. Commissioner Duncan seconded the motion which carried unanimously.

SDCOG vs. Paul Wojton (Renewal Appeal)

Mr. Wojton was present for the hearing. The renewal of Mr. Wojton's support license was denied by the Executive Secretary because on June 16, 2012 the licensee was arrested in Spearfish, South Dakota, on two counts of hiring for sexual activity and two counts of stalking. On June 28, 2012 a Lawrence County Grand Jury indicted Mr. Wojton on all four of those counts. The licensee later pled guilty to the two counts of stalking. On October 28, 2012 the Court sentenced him to serve 180 days in jail with 175 days of that sentence suspended and imposed other conditions. Staff recommended that Mr. Wojton's support license renewal be denied. The decision was deferred to Executive Session.

Proposed Rules Changes

Horse Racing Rules

Commissioner Duncan made a motion to adopt the proposed rule changes as presented on pages 18-44 in the meeting packet. Commissioner Holland seconded the motion which carried unanimously.

Slot Machine Manufacturer Rules

Commissioner Crew made a motion to adopt the proposed rule changes as presented on pages 45-51 in the meeting packet and on page 50 add (3) paragraph per Michael Shaw's wording. Commissioner Christianson seconded the motion which carried unanimously.

A brief recess was taken at 10:40 a.m.

General Meeting

Upon conclusion of the administrative and proposed rule hearings Commissioner Kemnitz called the general meeting to order at 10:48 a.m.

Approval of Agenda

Commissioner Duncan requested to add a discussion on poker tournament concerns after Deadwood licensing.

No conflicts of interest were noted on the agenda.

Secretary of Revenue Andy Gerlach addressed the commission.

September 12, 2012 Meeting

Commissioner Crew made a motion to adopt the drafted minutes from the September 12, 2012 meeting. Commissioner Holland seconded the motion which carried unanimously.

Stipulations of Assurance and Voluntary Compliance

Deadwood Resorts, LLC

A monetary penalty of \$500 was imposed for a complaint that was filed on August 7, 2012 alleging that licensee failed to inform the executive secretary or his designee of a patron dispute at the Lodge at Deadwood on August 4, 2012 which involved an amount of at least \$250 as required by South Dakota Commission on Gaming rules. Commissioner Christianson made a motion to accept the stipulation and monetary penalty imposed. Commissioner Duncan seconded the motion which carried unanimously.

There was discussion by the Commissioners that in the future the monetary penalties imposed by the Executive Secretary on business licensees that commit rule violations should be increased.

Pari Mutuel Business License Renewals

Multi Jurisdictional Totalizator Hub

Bettor Racing, Inc.

Simulcast Provider

Am West Entertainment, LLC

Simulcast Sites

Time Out Lounge, and Triple Crown Casino

Commissioner Duncan made a motion to approve the Simulcast License Renewals as listed on page 57-64 in the meeting packet. Commissioner Crew seconded the motion which carried unanimously.

Racing Licensing Matters

2013 Live Horse Racing Dates

Verendrye Benevolent Association

North East Area Horse Racing, Inc.

Commissioner Duncan made a motion to approve the racing dates scheduled for the Ft. Pierre and Aberdeen racing courses. Commissioner Crew seconded the motion which carried unanimously.

Allocations of Funds to Tracks for 2013 Racing Season

Commissioner Christianson made a motion to approve resolution number 11-28-12-01. Commissioner Duncan seconded the motion which carried unanimously.

Jockey Longevity Bonuses for 2013 Racing Season

Commissioner Christianson made a motion to approve resolution number 11-28-12-02. Commissioner Duncan seconded the motion which carried unanimously.

2013 Quarterly Meeting Dates

Executive Secretary Eliason recommended the following tentative quarterly meeting dates for 2013:

- Thursday, March 14th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, November 20th

Deadwood Licensing Matters

Ratification of Licensing Actions by the Executive Secretary per 42-7B-11 (16)

Commissioner Christianson made a motion to approve the ratification of the following licensing actions taken by the Executive Secretary:

- Approval and assignment of an additional retail license to First Gold, Inc. at the Terrace Motel;
- Approval and assignment of an additional retail license to Mike Trucano at Gold Country Inn
- Assignment of a retail license at Comfort Inn.

Commissioner Crew seconded the motion which carried unanimously.

Key License Approvals

Director of Operations/Enforcement Sparrow recommended the approval of the following Key Licenses.

Michael Gurlich
Rob Lyons

Matt Erickson
Peter DeMangus

Key Renewals-2013

Director of Operations/Enforcement Sparrow recommended the approval of the Key License renewals for 2013 as listed on pages 89-90 in the meeting packet.

Additional Key Renewals-2013

Austin Burnham
Lane Gemar

Erik Olsby
Ryan Klima

Commissioner Crew made a motion to approve the Key License approvals and Key License renewals and to include the additional renewals that were added at the meeting that staff recommended. Commissioner Duncan seconded the motion which carried unanimously.

Discussion on Poker Tournament Concerns

There was a discussion on poker tournament concerns to see if there was an interest in seminars to make casino owners aware of the situations. Commissioner Duncan volunteered to get a quote on seminars and the commission staff was directed to make inquiries of other sources. No action was taken on this matter but this item will be added to the agenda for the next commission meeting.

Commissioner Crew made a motion to go into Executive Session pursuant to SDCL 42-7B-8.1 (4), and decision on administrative hearing at 11:30 a.m. Commissioner Holland seconded the motion which carried unanimously.

EXECUTIVE SESSION

After coming out of the Executive Session at 11:50 a.m. the following actions were taken.

Decision SDCOG vs. Paul Wojton

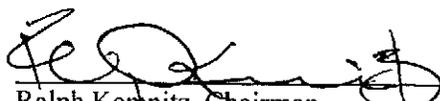
Commissioner Duncan made a motion to deny the appeal for the support license renewal of Paul Wojton. Commissioner Crew seconded the motion which carried unanimously.

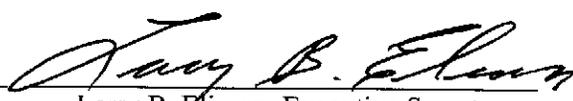
No further business to be discussed.

Meeting was adjourned at 11:51 a.m.

Respectfully Submitted,

Kathy Fredericksen


Ralph Kemnitz, Chairman


Larry B. Eliason, Executive Secretary