

UNAPPROVED MINUTES

South Dakota Commission on Gaming Quarterly Business Meeting Deadwood City Hall, Deadwood, South Dakota

MINUTES

November 18, 2015

At 9:00 a.m. the meeting was called to order. Commissioner Ralph "Chip" Kemnitz, Commissioner Harry Christianson, and Commissioner Tim Holland, were present. Staff members present for the meeting were Larry Eliason, Executive Secretary, Mike Shaw, Commission Attorney, and Craig Sparrow, Deputy Executive Secretary. In the absence of Chairman Duncan Vice Chairman Kemnitz presided over the meeting. A quorum was present and no vote by roll call was necessary.

The meeting was called to order by Commissioner Kemnitz at 9:00 a.m.

The court reporter for the hearings was Kimberly K. Morrison Johnson. The following cases were scheduled to be heard:

Administrative Hearings

- In Re: One Seized Magic Pulsar slot machine
- SDCOG vs. GR Deadwood and Lee Sadler

In Re: One Seized Magic Pulsar slot Machine

The purpose of the hearing was to determine if the Magic Pulsar slot machine, which was seized from a residence, at 850 Ennen Drive, Rapid City, South Dakota on September 30, 2015 is contraband and may be destroyed pursuant to SDCL 42-7B-39.2. Mr. Darrol Birk was served with notice of hearing by certified mail but was not present.

Executive Secretary Larry Eliason gave testimony and recommended that the slot machine be declared contraband and destroyed.

Commissioner Christianson made a motion that the slot machine be declared contraband and be destroyed. Commissioner Holland seconded the motion which carried unanimously.

SDCOG vs GR Deadwood and Lee Sadler

The purpose of this hearing was to take action on the complaints that were filed against GR Deadwood, LLC. D/B/A as Mineral Palace and Lee Sadler individually by Mark Heltzel, an enforcement agent for the South Dakota Commission on Gaming alleging that GR Deadwood and Lee Sadler individually did not immediately report a bet capping incident that occurred at a black jack table at the Mineral Palace on August 5, 2015.

A Stipulation of Facts was entered into in which GR Deadwood and Lee Sadler admitted to violation of 42-7B-39.2 and the matter entered the penalty phase that was determined in Executive Session

Comments were heard from SDCG attorney Mike Shaw and Mr. William Bowen attorney for GR Deadwood and Lee Sadler.

UNAPPROVED MINUTES

Continuation of September 24, 2015, Public Hearing on Proposed Rule Changes

Mississippi Stud with optional three card bonus rules

Commissioner Holland moved to approve the optional three card bonus rules.
Commissioner Christianson seconded the motion which carried unanimously.

Flushes Gone Wild Rules

Commissioner Christianson moved to approve the Flushes Gone Wild Rules
Commissioner Holland seconded the motion which carried unanimously.

General Meeting

Vice Chairman Kemnitz called the general meeting to order at 10:00 am

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest were noted on the agenda.

September 24, 2015 Meeting

Commissioner Holland made a motion to adopt the drafted minutes from the September 24, 2015 meeting. Commissioner Christianson seconded the motion which carried unanimously.

2016 Pari Mutuel Business License Applications

Multi Jurisdictional Totalizator Hub

Bettor Racing, Inc.

Commissioner Christianson moved to approve the renewal of Bettor Racing, Inc.'s license.
Commissioner Holland seconded the motion which carried unanimously.

Simulcast Provider

Am West Entertainment, LLC

Commissioner Christianson moved to approve the renewal of AmWest Entertainment's license
Commissioner Holland seconded the motion which carried unanimously

UNAPPROVED MINUTES

Simulcast Site

Triple Crown Casino

Commissioner Christianson moved to approve the renewal of Triple Crown's simulcast site license
Commissioner Holland seconded the motion which carried unanimously

Racing Licensing Matters

2016 Live Horse Racing Dates

Verendrye Benevolent Association

Commissioner Christianson moved to approve the following live horse racing dates to be held at Ft. Pierre's Stanley County Fair Grounds:

April 30, 2016
May 1, 2016
May 7, 2016
May 8, 2016

Commissioner Holland seconded and the motion carried unanimously.

North East Area Horse Racing, Inc.

Commissioner Holland moved to approve up to 6 racing days for live horse racing to be held at Aberdeen's Brown County Fair Grounds on the following dates:

May 14, 2016
May 15, 2016
May 21, 2016
May 22, 2016
May 29, 2016
May 30, 2016

Commissioner Christianson seconded and the motion carried unanimously.

Allocations of Funds to Tracks for 2016 Racing Season

Commissioner Holland moved to approve Resolution Number 11-18-15-01
Commissioner Christianson seconded and motion carried unanimously

Jockey Longevity Bonuses for 2016 Racing Season

Commissioner Holland moved to approve Resolution Number 11-18-15-02
Commissioner Christianson seconded and the motion carried unanimously

UNAPPROVED MINUTES

Review of Daily Fantasy Sports Betting in Light of SDCL Chapter 22-25A

Griffin Finan counsel for Draft Kings Fantasy Sports provided information regarding Fantasy Sports Betting.

Rodger Tellinghuisen on behalf of the Deadwood Gaming Association stated that Fantasy Sports Betting should be regulated.

Commissioner Christianson thanked Mr. Finan for the information and stated that per law the South Dakota Commission on Gaming does not have gaming regulatory jurisdiction except as defined in SDCL 42-7B. Attorney Mike Shaw added that the Commission does not have the jurisdictional authority to regulate any games other than those stated in 42-7B.

Proposed 2016 Quarterly Meeting Dates

Executive Secretary Eliason recommended the following tentative quarterly meeting dates for 2016:

Wednesday, March 16, 2016

Wednesday, June 15, 2016

Wednesday, September 14, 2016

Wednesday, November 16, 2016

Deadwood Licensing Matters

Key License Approval

Deputy Executive Secretary Sparrow recommended the approval of the Key License for Domico Rodriguez

Key Renewals-2016

Deputy Executive Secretary Sparrow recommended the approval of the Key License renewals for 2016 as listed on pages 103-104 in the meeting packet with the following additions:

Dani Eggleston

Connie Schlepp

Carol Case

Brandi Ikes

Mark Bidwell

Darlene Fischer

Roy Sundstrom

Deb Klima

Ryan Klima

Kevin Fish

Karla Hawki

Donica Schumacher

Austin Burnham

UNAPPROVED MINUTES

Business License Approval

Deputy Executive Secretary Sparrow recommended the Approval of JCM American Corp. dba JCM Global

Commissioner Christianson moved to approve key renewals, key application and all business licenses as recommended by Deputy Executive Secretary Sparrow

Commissioner Holland second and the motion carried unanimously

Scheduling of Next Regular Meeting

Executive Session pursuant to SDCL 1-25-2 (3) and SDCL 42-7B-8.1 (4)

At 10:30 a.m. the Commission went into Executive Session pursuant to SDCL 1-25-2 (3) and 42-7B-8.1(3) and (4).

The Executive Session was concluded at 10:50 a.m.

SDCOG vs GR Deadwood and Lee Sadler

Commissioner Christianson moved that a monetary fine of \$ 5,000 be levied against GR Deadwood, LLC dba Mineral Palace with\$ 4,000 suspended providing Licensee has no violations for six months. If a violation occurs, the \$ 4,000 will be due within 24 hours. The remaining \$ 1,000 is due within 10 days of the receipt of the Order

Commissioner Holland seconded the motion which carried unanimously.

Commissioner Christianson moved that a monetary fine of \$ 250 fine be levied against Lee Sadler and is due within 10 days of the receipt of the Order.

Commissioner Holland seconded the motion which carried unanimously.

With no further business to be discussed Commissioner Holland made a motion to adjourn the meeting. Commissioner Christianson seconded the motion which carried unanimously.

The meeting was adjourned at 11:30 a.m.

Respectfully Submitted,

Susan Christian

Ralph "Chip" Kemnitz, Vice Chairman

Larry B. Eliason, Executive Secretary