



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

NOTICE OF ADMINISTRATIVE HEARING AND QUARTERLY BUSINESS MEETING

NOTICE IS HEREBY GIVEN that the South Dakota Commission on Gaming will hold an administrative hearing, and its' quarterly business meeting on March 17, 2021 beginning at 9:00 a.m. MDT in the City Commission Chambers at Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

Due to the COVID 19 pandemic restrictions apply to the commission meeting. Public attendance to the meeting is limited to the individuals having administrative hearings. The business meeting will be broadcast on SD.net.

You may view the meeting at <https://www.sd.net/meeting/11>

You may call in to participate using the following information:

Phone number to participate: 1-669-900-9128

When prompted enter the Participation ID: # 929 0791 0412

When prompted enter the Passcode: 794429

When prompted state your name followed by the #

Dial in participants will be muted when joining the meeting . You can use *6 mute/unmute and if you wish to make a comment select *9 to raise your hand.

AGENDA

Call to Order

Conflicts of Interest Disclosure

ADMINISTRATIVE HEARING

David Meddings appeal of action taken by Commission **Pages 3- 15**

QUARTERLY BUSINESS MEETING

Adoption of Quarterly Business Meeting Agenda

Approval of the minutes of the Quarterly Meeting of December 16, 2020Old

Business

Report Executive Secretary

Comments Department of Revenue Secretary Jim Terwilliger

Stipulation of Assurance and Voluntary Compliance

- James Jenkins Support License #8750-16-70-SP **Pages 16 - 25**
Complaint Number 20-12-064-RB
- ZCN,LLC dba Deadwood Mountain Grand # 11382-OP **Pages 26- 34**
Complaint Number 20-12-064-RB
- BY Development dba Cadillac Jack #0196-OP **Pages 35 - 47**
Complaint Number 20-12-063-PS

Live Racing Matters **Pages 48 - 49**

- Request to change live racing dates

Deadwood Licensing Matters **Pages 50 - 57**

Date of next meeting June 16, 2021Public

Comment

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

Decisions on Administrative Hearings

Adjournment

SUSAN CHRISTIAN, CIA

Executive Secretary

For access, persons with special needs may call the Commission office (605) 578-3074



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

NOTICE OF HEARING

Notice is hereby given that an administrative hearing will be held before the South Dakota Commission on Gaming on Wednesday, March 17, 2021, at 9:00 o'clock a.m. in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota, regarding the revocation of your gaming license. If you wish for this hearing to be scheduled before March 17, 2021 you may request a special meeting pursuant to § 42-7B-8 which states:

Regular and special meetings--Quorum--Cost of special meeting requested by person other than chair, two members, or Governor.

The commission may hold regular and special meetings at such times and places as it may deem convenient, but at least one regular meeting shall be held quarterly. A majority of the appointed members constitutes a quorum of the commission, and a special meeting may be called by the chair, by any two members, or the Governor. If a special meeting is called pursuant to the request of any other person, the actual costs of the special meeting including personnel costs incurred in making arrangements for the special meeting, preparation and mailing of notices of the special meeting, compensation and allowable expense reimbursement for commission members as established by § 42-7B-10, costs of the telecommunications systems, and rental of meeting space used for the special meeting, or a charge of one thousand dollars, whichever is greater, shall be made and assessed against the person who requested the special meeting.

Source: SL 1989, ch 374, § 7; SL 2009, ch 216, § 1.

The purpose of this hearing is to take action on your request for a hearing on the revocation of your gaming license following your voluntary surrender of the same. The hearing is held under the authority and jurisdiction of ARSD 20:18:10:11 and 20:18:11:01 and SDCL Chapter 1-26, 23A-27-14.2, 42-7B-32 and 42-7B-75.

The following statute(s), among others, may be considered by the commission during the hearing:

§ 23A-27-14.2. Revocation or refusal of gaming or racing license--Conditional license.

Notwithstanding § 23A-27-14 and § 23A-27-17, a person who has received an order pursuant to the provisions of § 23A-27-13 for a felony offense, who is licensed or seeks to be licensed by the South Dakota Commission on Gaming pursuant to the provisions of § 42-7B-22 or subdivision § 42-7-56(12), shall have an application refused or a license revoked after a hearing

as provided pursuant to chapter 1-26 unless the person has successfully completed the probationary period imposed by the court. However, the commission may grant a conditional license during the probationary period imposed by the court if the applicant or licensee proves by clear and convincing evidence to the satisfaction of the commission that the person is suitable to hold the license.

The matter to be asserted is that on January 9, 2020, you plead guilty to a charge of SDCL 32-23-1(2) Driving Under the Influence, a Class 6 Felony and that on Feb 7, 2020, you received an Order Suspending Imposition of Sentence in Lawrence County Circuit Court, Fourth Judicial Circuit and voluntarily surrendered your gaming license in March 2020. As a result of the voluntary surrender, the Gaming Commission revoked your license without a hearing and provided written notice to you pursuant to SDCL 42-7B-75. You have requested a hearing. As a result of this hearing the Commission may revoke your gaming license and impose a monetary penalty of up to Five Thousand dollars (\$5,000.00) or issue a conditional license. This hearing is an adversary proceeding and will be conducted as a "contested case" in accordance with SDCL Chapter 1-26. You have the right to be present at the hearing, to be represented by a lawyer, to testify on your own behalf, to call witnesses to testify on your behalf and to question witnesses who testify against you. These and other due process rights will be forfeited if they are not exercised at the hearing.

If the amount in controversy exceeds Two Thousand Five Hundred dollars (\$2,500.00) or if a property right may be terminated any party may require the Commission to use the South Dakota Office of Hearing Examiners by giving notice to the Commission no later than 10 days after service of this Notice of Hearing, which is issued pursuant to SDCL 1-26-17.

Any decision of the Commission may be appealed to the Circuit Court and the Supreme Court as provided by law.

Please notify the Executive Secretary no later than March 5, 2021 if your intent is to schedule a special meeting, at your cost, pursuant to SDCL 42-7B-8. Notification may be given by e-mail to susan.christian@state.sd.us or in writing to the address printed above.

Dated the 19th day of February, 2021


Susan Christian, CIA
Executive Secretary
South Dakota Commission on Gaming
445 E. Capital Avenue
Pierre, SD, 57501

CERTIFICATE OF SERVICE

I, Susan Christian, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

Dave Meddings
221 South Main
Lead, SD 57754

By USPS Certified Mail with postage prepaid on the 19th day of February 2021

From: [Dave meddings](#)
To: [Christian, Susan](#)
Subject: [EXT]
Date: Friday, February 19, 2021 1:42:21 PM

Hi Susan, I would like to get in on your next meeting. I have been quarantined, long enough, have got my first covid shot am wanting to work back in Deadwood again. I have been sober for over a year now and am ready to get back to work. I know the last meetings I was not able to attend was do to the virus .I think I was a valuable asset to Deadwood and gaming .tell me who needs to show up at the hearing and hopefully it will work into their schedule.I do have a letter of reference from my last job and have lots of experience(25yr) please consider myself

TY Let me know when you're next gaming meeting is to consider my status .Thank you DM



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

AMENDED NOTICE OF HEARING

Notice is hereby given that an administrative hearing regarding the revocation of your gaming license will be held before the South Dakota Commission on Gaming on Wednesday, September 16, 2020, at 9:00 o'clock a.m. in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to take action on your request for a hearing on the revocation of your gaming license following your voluntary surrender of the same. The hearing is held under the authority and jurisdiction of ARSD 20:18:10:11 and 20:18:11:01 and SDCL Chapter 1-26, 23A-27-14.2, 42-7B-32 and 42-7B-75.

The following statute(s), among others, may be considered by the commission during the hearing:

23A-27-14.2. Revocation or refusal of gaming or racing license--Conditional license.

Notwithstanding §§ 23A-27-14 and 23A-27-17, a person who has received an order pursuant to the provisions of § 23A-27-13 for a felony offense, who is licensed or seeks to be licensed by the South Dakota Commission on Gaming pursuant to the provisions of § 42-7B-22 or subdivision 42-7-56(12), shall have an application refused or a license revoked after a hearing as provided pursuant to chapter 1-26 unless the person has successfully completed the probationary period imposed by the court. However, the commission may grant a conditional license during the probationary period imposed by the court if the applicant or licensee proves by clear and convincing evidence to the satisfaction of the commission that the person is suitable to hold the license.

The matter to be asserted is that on January 9, 2020, you plead guilty to a charge of SDCL 32-23-1(2) Driving Under the Influence, a Class 6 Felony and that on Feb 7, 2020, you received an Order Suspending Imposition of Sentence in Lawrence County Circuit Court, Fourth Judicial Circuit and voluntarily surrendered your gaming license in March 2020. As a result of the voluntary surrender, the Gaming Commission revoked your license without a hearing and provided written notice to you pursuant to SDCL 42-7B-75. You have requested a hearing.

As a result of this hearing the Commission may revoke your gaming license and impose a monetary penalty of up to \$5000 or issue a conditional license.

This hearing is an adversary proceeding and will be conducted as a "contested case" in accordance with SDCL Chapter 1-26. You have the right to be present at the hearing, to be represented by a lawyer, to testify on your own behalf, to call witnesses to testify on your behalf and to question witnesses who testify against you. These and other due process rights will be forfeited if they are not exercised at the hearing.

If the amount in controversy exceeds \$2500 or if a property right may be terminated any party may require the Commission to use the South Dakota Office of Hearing Examiners by giving notice to the Commission no later than 10 days after service of this Notice of Hearing, which is issued pursuant to SDCL 1-26-17.

Any decision of the Commission may be appealed to the Circuit Court and the Supreme Court as provided by law.

Dated the 17th day of August, 2020



Susan Christian, CIA
Executive Secretary
South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD, 57732

CERTIFICATE OF SERVICE

I, Susan Christian, do hereby certify that I served a copy of the foregoing Notice of Hearing upon:

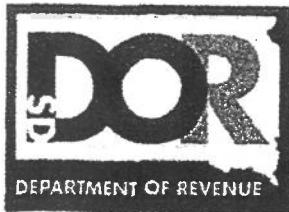
Dave Meddings
221 South Main
Lead, SD 57754

By US Mail first class with postage prepaid on the 17th day of August, 2020

Christian, Susan

From: Dave meddings <meddingsdave@gmail.com>
Sent: Monday, June 29, 2020 9:10 AM
To: Christian, Susan
Subject: [EXT] Request for key license

Susan Christian, This is a request for a hearing to get my key license (#5489-03-ky) back. I was notified by Mike Gurich that my key license was going to be taken away from me for my 3rd dui. I did surrender my license and stepped down from my floor supervisor position at the Deadwood Mountain Grand. I have complied to all the courts requests, including treatment and after care. Judge Callahan has sealed my 2nd dui, using my suspended imposition on April, 27, 2020. (40CR118-001257). On completion of the courts requests, my 3rd dui will also be sealed on February, 11, 2021. My sobriety and recovery is going well. I have not drunk since early September, 2020. I would like to continue a career in gaming. I have been in gaming since 1991. I have made some mistakes in the past but have always complied with the SDGC rules. I have enjoyed working in gaming. I have good credit and pay my bills. Thank you for your time and consideration. Dave Meddings



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

June 17, 2020

Originally sent via USPS 1st class on June 17, 2020.
Received e-mail requesting a hearing on June 29, 2020.
Resent USPS certified on June 30, 2020.

NOTICE OF REVOCATION OF LICENSE

TO: Dave Meddings
221 South Main
Lead, SD 57754

RE: Revocation of S.D.C.G. Key License # 5489-03-KY

The commission took action and revoked your gaming license at the June 16, 2020 meeting pursuant to SDCL 42-7B-75. You were notified that the commission would be taking action to revoke your licenses via certified mail on April 17, 2020.

SDCL 42-7B-75 Cancellation or revocation of voluntarily surrendered license. Any license granted pursuant to the provisions of this chapter which is voluntarily surrendered by the licensee may be cancelled or revoked without a hearing unless the licensee files a written request for a hearing within thirty days after receiving written notice of the revocation or cancellation from the commission.

Source: SL 2015, ch 220, § 3.

Please notify me either by email to susan.christian@state.sd.us or in writing to the address printed above no later than July 17, 2020 as to whether you are requesting a hearing.

Dated the 17th day of June 2020.

Susan Christian
Executive Secretary
South Dakota Commission on Gaming



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

April 17, 2020

NOTICE OF REVOCATION OF LICENSE

TO: Dave Meddings
221 South Main
Lead, SD 57754

S.D.C.G. Key License # 5489-03-KY

NOTICE IS HEREBY GIVEN that at the June 16, 2020 meeting the commission will take action to cancel or revoke the gaming license you voluntarily surrendered.

Pursuant to **SDCL 42-7B-75** Cancellation or revocation of voluntarily surrendered license. Any license granted pursuant to the provisions of this chapter which is voluntarily surrendered by the licensee may be cancelled or revoked without a hearing unless the licensee files a written request for a hearing within thirty days after receiving written notice of the revocation or cancellation from the commission.

Source: SL 2015, ch 220, § 3.

Please notify me either by email to susan.christian@state.sd.us or in writing to the address printed above no later than May 17, 2020 as to whether you are requesting a hearing.

Dated the 17th day of April 2020.

Susan Christian
Executive Secretary
South Dakota Commission on Gaming

Email: susan.christian@state.sd.us

SC: sc

COPY

STATE OF SOUTH DAKOTA)
: SS)
COUNTY OF LAWRENCE)
*****)
STATE OF SOUTH DAKOTA, *
Plaintiff, *
VS. *
DAVID BRIAN MEDDINGS, *
Defendant. *

IN CIRCUIT COURT
FOURTH JUDICIAL CIRCUIT
CRI 19-833
ORDER SUSPENDING
IMPOSITION OF SENTENCE

An Indictment was filed in this Court on the 28th day of August, 2019, charging the Defendant with the crime of Count I: Driving Or Physical Control Of A Motor Vehicle While There Was 0.08 Percent Or More By Weight Of Alcohol In Blood (SDCL 32-23-1(1)) Or In The Alternative Count IA: Driving Or Physical Control Of A Motor Vehicle While Under the Influence of an Alcoholic Beverage (SDCL 32-23-1(2)) and a Part II Information was filed in this court on the 16th day of August, 2019.

On the 15th day of October, 2019, the Defendant appeared along with his counsel, Joseph Kosel, and was arraigned on said Indictment. The Court advised the Defendant of all constitutional and statutory rights pertaining to the charges that had been filed against the Defendant, including, but not limited to:

1. The right not to be compelled in any criminal case to be a witness against himself.
2. The right to a speedy and public trial by an impartial jury in Lawrence County, South Dakota.
3. The right to the assistance of a lawyer and the right to a court appointed attorney if he cannot afford to hire his\her own lawyer.
4. The right to confront and cross-examine the witnesses against him\her.
5. The right to compel witnesses to appear by subpoena on his\her own behalf.
6. That (s)he is presumed to be not guilty of the charge and the burden is on the State to prove the elements of the charge beyond a reasonable doubt.

Filed on: 02/19/2020 LAWRENCE County, South Dakota 40CRI19-000833

7. That a factual basis for a guilty plea must exist.
8. An explanation of the maximum penalties and mandatory penalties.
9. The right to know the nature and cause of the accusation against him\her.
10. The right to plead not guilty and to persist in that plea.
11. That by pleading guilty or nolo contendere (s)he waives his\her right to a trial, the right to confront and cross-examine witnesses against him\her and the right not to be compelled to incriminate himself\herself.

The Defendant pled not guilty to the charge.

On the 31st day of December, 2019, the Defendant appeared along with his counsel, Joseph Kosel, and was arraigned on said Indictment. The Court advised the Defendant of all constitutional and statutory rights pertaining to the charges that had been filed against the Defendant, the Defendant pleaded guilty to the charge of Count I: Driving Or Physical Control Of A Motor Vehicle While There Was 0.08 Percent Or More By Weight Of Alcohol In Blood (SDCL 32-23-1(1)) and admitted to the Part II Information Alleging Class 6 Felony.

It is the determination of the Court that the Defendant has been regularly held to answer for said offense; that said plea was voluntary, knowing and intelligent; that the Defendant was represented by competent counsel; that the Defendant understood the nature of the consequences of the plea at the time said plea was entered; and that a factual basis existed for the plea.

The Court being satisfied that the ends of justice and the best interest of the public as well as the Defendant will be served thereby and the Court receiving a plea of guilty to a crime

that is not punishable by life imprisonment and the Defendant never before having been convicted of a crime which would constitute a felony in this State, this Court exercises its judicial clemency under SDCL 23A-27-13 and with the consent of the Defendant;

IT IS HEREBY ORDERED that on the 11th day of February, 2020 imposition of sentence is suspended pursuant to SDCL 23A-27-13 and the Defendant is placed on supervised probation for a period of three (3) years, upon the following terms and conditions:

- 1) Defendant shall be placed under the supervision of the Chief Court Service Officer of this Judicial Circuit, or his representative thereof, for a period of three (3) years.
- 2) Defendant shall obey all of the conditions placed upon him by the Court Service Officer (said conditions to be attached and incorporated by reference with this Order and to be signed by the Defendant).
- 3) Defendant shall pay costs in the amount of \$106.50 LEOTF + \$85.00 Blood testing fees + \$50.00 DWI Surcharge and a fine in the amount of \$400.00.
- 4) Defendant shall attend and successfully complete intensive outpatient treatment and abide by all recommendations including attending aftercare.
- 5) Defendant shall violate no laws.
- 6) Defendant shall serve 35 days in the Lawrence County Jail to be completed by February 11, 2021. Defendant shall receive credit for time served of 3 days.
- 7) Defendant shall not consume nor possess any mind altering substances including alcoholic beverages or THC while on probation.
- 8) Defendant shall submit to a warrantless search and seizure of her breath, blood, urine, person, place or possessions at the request of any law enforcement officer or court services officer.
- 9) Defendant shall not enter or remain in any establishment where the primary source of income comes from the sale of alcoholic beverages or from gaming unless authorized from his probation officer.

- 10) The Defendant shall attend and successfully complete Moral Reconciliation Therapy if recommended by his probation officer.
- 11) The Defendant shall attend and successfully complete Cognitive Behavioral Interventions For Substance Abuse if recommended.
- 12) Defendant shall serve on the MADD Victim Impact Panel.

IT IS FURTHER ORDERED that the Defendant's privileges to operate a motor vehicle in the State of South Dakota shall be revoked for a period of twelve (12) months conditionally. Defendant is authorized to have a permit upon proof of financial responsibility and participation in the 24/7 or SCRAM program.

IT IS FURTHER ORDERED that any bond posted herein be exonerated.

IT IS FURTHER ORDERED that the Court expressly reserves control and jurisdiction over the Defendant for the period of sentence imposed and that this Court may revoke the suspension at any time and reinstate the sentence without diminishment or credit for any of the time that the Defendant was on probation.

IT IS FURTHER ORDERED that the Court reserved the right to amend any or all of the terms of this Order at any time.

Attest: CAROL LATUSECK, CLERK
Mullaney, Tiffany
Clerk/Deputy



DATE OF OFFENSE: AUGUST 15, 2019

BY THE COURT:
Signed: 2/19/2020 10:22:
[Signature]
Court Judge

STATE OF SOUTH DAKOTA
Fourth Judicial Circuit Court
I hereby certify that the foregoing instrument is a true and correct copy of the original as the same appears on file in my office on this date:

MAR 06 2020

Carol Latuseck
Lawrence County Clerk of Courts
By: *[Signature]*

NOTICE OF APPEAL

You are hereby notified that you have a right to appeal as provided by SDCL 23A-32-15, which you must exercise within thirty (30) days from the date that this Judgment and Sentence is signed, attested and filed, written Notice of Appeal with the Lawrence County Clerk of Courts, together with proof of service that copies of such Notice of Appeal have been served upon the Attorney General of the State of South Dakota, and the Lawrence County State's Attorney.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

TO: Commissioners and Mike Shaw
FROM: Susan Christian, Executive Secretary
SUBJECT: Stipulation and Assurance of Voluntary Compliance
James Jenkins SDCG Lic# 8750-16-SP
Compliant #20-12-064-RB
DATE: March 17, 2021

On February 16, 2021 an informal consultation per ARSD 20:18:10:03 was held to resolve the violations alleged in the Initial Complaint that was filed by SDCG Agent Russ Belina on December 30, 2020.

Licensee responded January 12, 2021 and did not contest the conduct alleged in the complaint.

Based on prior SDCG agreed upon Stipulation and Assurance of Voluntary Compliances regarding conducting table games with a deck of less than the 52 cards as required per ARSD 20:18:15:02 Licensee was fined fifty dollars and asked to surrender his gaming license for seven days.

Licensee paid the fine and surrendered his license on February 22, 2021. The surrendered SDCG license was returned to the Licensee on March 2, 2021.

Staff is recommending that the Commission accept the Stipulation and Assurance of Voluntary Compliance.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

SOUTH DAKOTA COMMISSION
ON GAMING,

PLAINTIFF

STIPULATION AND ASSURANCE

VS.

OF VOLUNTARY COMPLIANCE

James Jenkins
SDCG Lic#8750-16-SP

DEFENDANT

RECITALS

A complaint was filed against the Defendant on or about December 30, 2020 by Russ Belina , an agent for the South Dakota Commission on Gaming.

The parties wish to resolve the complaint by a Stipulation of Assurance and Voluntary Compliance.

An Informal Consultation was held between the Executive Secretary and the Defendant on February 16, 2021.

I

The complaint filed on or about December 30, 2020 alleged that the Defendant engaged in conduct constituting grounds for disciplinary action on December 18, 2020 for allowing a Blackjack game to operate while a King of Diamonds was missing from the decks. This is violation of ARSD 20:18:1502.

II

The Defendant answered the complaint on January 12, 2021. In the licensee's answer he did not contest the conduct alleged in the complaint filed on or about December 30, 2020.

III

It is the responsibility of a Pit Boss to issue cards and direct and supervise personnel where required and observe table action. While performing the duties of a Pit Boss on December 18, 2020, the defendant observed the dealer lose control of the decks of cards causing some of the cards to drop off the table. The Pit Boss did not instruct the dealer to verify that all cards had been accounted for before resuming play. This action was the direct cause that allowed for approximately 12 hours of blackjack play to occur while the King of Diamonds was missing.

The Executive Secretary imposes a monetary penalty of \$50.00 and the surrender of his gaming license for seven (7) days from February 23, 2021 through March 1, 2021. Licensee agrees to surrender his support license by 9:00 am on February 23, 2021 to the:

South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD

Licensee may pick up his license at 3:00 pm on March 1, 2021 at the South Dakota Commission on Gaming location as identified above, at which time the monetary fine of \$ 50.00 is to be paid.

IV

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance will be made a public record.

V

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance is subject to the approval of the South Dakota Commission on Gaming and that execution of this document does not prohibit the Commission from re-opening this matter for further investigation which could lead to an administrative hearing before the Commission and further disciplinary action against the Defendant.

DATED at Deadwood, South Dakota, the 16th day of February 2021 .



SUSAN CHRISTIAN, CIA
Executive Secretary
South Dakota Commission on Gaming



James Jenkins
Defendant



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

February 1, 2021

James Jenkins
3506 Roughlock Lane
Spearfish, SD 57783

RE: South Dakota Commission on Gaming vs. James Jenkins SDCG Lic.# 8750-16-SP
Complaint Number 20-12-064-RB

Dear Mr. Jenkins,

Your response to the initial complaint delivered to you on or about January 7, 2021 has been received. Per ARSD 20:18:10:03 it has been determined that the complaint has merit for disciplinary action. A copy of ARSD 20:18:10:03 is enclosed.

An informal consultation to resolve this matter is scheduled for 11:00 a.m. on February 16, 2021 at the South Dakota Commission on Gaming office located at 87 Sherman Street, Deadwood, SD.

Sincerely,

Susan Christian, CIA
Executive Secretary

Telephone: (605) 773-6051 Pierre office
(605) 578-3074 Deadwood office
E-mail: susan.christian@state.sd.us

One enclosure

CC: SDCG Enforcement Agent Russ Belina by e-mail



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

20:18:10:03. Informal consultation. If the executive secretary considers the complaint to have merit for disciplinary action, the executive secretary may consult with the licensee and the parties affected in an effort to resolve the matter satisfactorily without a formal hearing. The executive secretary must notify in writing the complainant, the licensee complained against, and affected parties of the results of the informal consultation. The informal consultation does not prevent the commission from conducting a formal hearing.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-18, 42-7B-19, 42-7B-20, 42-7B-21, 42-7B-22, 42-7B-24, 42-7B-25, 42-7B-26.

RECEIVED

Receive

JAN 12 2021

SDCG-Deadwo

James Jenkins JAN 19 2021 Monday January 11th 2021

On ^{SD COMMISSION ON GAMING-PIERRE} Friday, December 18th a dealer named Matt had spilt a b deck shoe on table-1 Blackjack. We have dividers on the table for each player and I believe at the time there was a player on the far left side of the table (seat 1), when the deck was spilt the cards went through the middle divider (seat 3) and a small amount of cards hit the floor. I was pitbossing at the time so I ran over to pick up the cards that had spilt off the table, before I got over there a guy that works in the restaurant was walking by seen Matt spill the deck and stopped to help pick up the cards. We handed the cards to Matt. I double checked the floor and surrounding area to make sure I didn't miss any of the cards and went on with the game. At the time I didn't think of taking the shoe off the table and verifying all six decks to make sure all the cards were there and just giving him 6 different decks to verify and move on with the game. The card that was missing was not stolen, and it was not left off of the game on purpose. It ended up in holding the seat →

RECEIVED
JAN 19 2021

RECEIVED
JAN 19 2021

and the backrest of seat #3 where I and nobody else could see it. The only reason it was found is because my Table Games Manager Ashly had been told there was a King of diamonds missing when they sorted the cards at the end of the night. When she watched the cameras she saw that this is where the card ended up when the deck was spilt. I now know that if a deck is spilt and cards go off the table that all the cards need to be verified before returning to play. I feel really bad for what happen and I will make sure it never happens again.

Sincerely,
James Jenkins

RECEIVED

JAN 19 2021

SD COMMISSION ON GAMING-PIERRE



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

December 30, 2020

James Jenkins
3506 Roughlock Lane
Spearfish, SD 57783

RE: South Dakota Commission on Gaming vs James Jenkins
SDCG Lic#8750-16-SP
Complaint Number #20-12-064-RB

This is to inform you that a complaint has been filed against you by Russell Belina, an Enforcement Agent of the South Dakota Commission on Gaming. The complaint alleges that on December 18, 2020, while working as a Pit Boss, you allowed a Blackjack game to operate while a King of Diamonds was missing from the decks in violation of ARSD 20:18:15:02.

Copies of the regulations and statutes cited in the complaint are available at the Deadwood Public Library and are also available on the South Dakota Commission on Gaming website <https://dor.sd.gov/businesses/gaming/> and at the Deadwood office located at 87 Sherman Street.

You have 20 days from the receipt of this letter to answer the enclosed complaint. In your answer you may admit, deny, qualify or explain the allegations contained in the complaint. The answer must be in writing and mailed to the Executive Secretary of the South Dakota Commission on Gaming at the address printed above.

Sincerely,

Susan Christian, CIA
Executive Secretary
E-mail: susan.christian@state.sd.us

1 Enclosure
CC: SDCG enforcement Agent Russell Belina by e-mail



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

South Dakota Commission)	
on Gaming)	
)	
<i>Plaintiff,</i>	)	Initial Complaint Filed
	)	Pursuant to
Vs.	)	ARSD 20:18:10:01
)	
James Jenkins	)	Complaint # 20-12-064-RB
SDCG Lic. #8750-16-SP)	
)	

The Complaint is made against the following Licensee:

James Jenkins
3506 Roughlock Lane
Spearfish, SD 57783

Generally, Licensee has engaged in conduct constituting grounds for disciplinary action. The conduct complained against is as follows:

On December 18th, 2020, while James Jenkins was working as a pit boss at the Deadwood Mountain Grand, he allowed a blackjack game to operate while a King of Diamonds was missing from the decks. Dealing a game without the correct number of cards in a deck is a violation of ARSD 20:18:15:02 which states in the following part:

ARSD 20:18:15:02. Cards. The value of the cards contained in a deck of cards is as follows:

A standard blackjack deck must contain 52 cards in four suits, hearts, diamonds, clubs, and spades, with each suit consisting of numerical cards from 2 to 10 and a jack, a queen, a king, and an ace.

Source: 16 SDR 57, effective October 1, 1989; 23 SDR 126, effective February 13, 1997; 41 SDR 7, effective July 29, 2014.

General Authority: SDCL 42-7B-7, 42-7B-11.

Law Implemented: SDCL 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-15.

Name of complaint Russell Belina

Address - 87 Sherman St
Deadwood, SD 57732
(605) 578-3074

The following witness could give testimony about the complaint:

Russell Belina
87 Sherman Street
Deadwood, SD 57732
(605) 578-3074

NOTICE TO:

James Jenkins
3506 Roughlock Lane
Spearfish, SD 57783

(DEFENDANT)

You are hereby notified that this complaint has been received by the Acting Executive Secretary, Susan Christian. Pursuant to the rules, you have 20 (twenty) days to answer this complaint. The answer may admit, deny, qualify, or explain the allegations contained in the complaint. You must file an original response with the Acting Executive Secretary of the South Dakota Commission on Gaming. Attach additional sheets of paper listing additional witnesses if necessary. Please mail response to the following address:

South Dakota Commission on Gaming
Acting Executive Secretary
Susan Christian
87 Sherman St
Deadwood, SD 57732

Dated the day of



Susan Christian
Executive Secretary
South Dakota Commission on Gaming



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

TO: Commissioners and Mike Shaw
FROM: Susan Christian, Executive Secretary
SUBJECT: Stipulation and Assurance of Voluntary Compliance
ZCN, LLC dba Deadwood Mountain Grand Lic# 11382-OP
Compliant #20-12-064-RB
DATE: March 17, 2021

On February 16, 2021 an informal consultation per ARSD 20:18:10:03 was held to resolve the violations alleged in the Initial Complaint that was filed by SDCG Agent Russ Belina on December 30, 2020.

Licensee responded January 12, 2021 and did not contest the conduct alleged in the complaint.

Based on prior SDCG agreed upon Stipulation and Assurance of Voluntary Compliances regarding conducting table games with a deck of less than the 52 cards as required per ARSD 20:18:15:02 Licensee was fined one thousand six hundred and twenty dollars and required to refund buy-ins to the identified patrons in the amount of five thousand nine hundred and twenty dollars. The fine was required to be paid by March 1, 2021 and all refunds were required to be paid by March 16, 2021.

On March 1, 2021 DMG paid the fine and provided copies of the checks written to customers. Licensee also provided receipts indicating that the checks to patrons were sent out USPS.

Staff is recommending that the Commission accept the Stipulation and Assurance of Voluntary Compliance.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

SOUTH DAKOTA COMMISSION
ON GAMING,

PLAINTIFF

STIPULATION AND ASSURANCE

VS.

OF VOLUNTARY COMPLIANCE

Complaint # 20-12-064-RB

ZCN, LLC dba Deadwood Mountain Grand
SDCG Operator License #11382-OP

DEFENDANT

RECITALS

A complaint was filed against the Defendant on or about December 30, 2020 by, Russ Belina, an agent for the South Dakota Commission on Gaming.

The parties wish to resolve the complaint by a Stipulation of Assurance and Voluntary Compliance.

An Informal Consultation was held between the Executive Secretary and the Defendant on February 16, 2021.

I

The complaint filed on alleged that the Defendant engaged in conduct constituting grounds for disciplinary action by that the Defendant engaged in conduct constituting grounds for disciplinary action by allowing on, December 18, 2020, a Blackjack game to operate for approximately 12 hours while a King of Diamonds was missing from the decks. This is violation of ARSD 20:18:15:02.

II

The Defendant answered the complaint on or about January 12, 2021. The Defendants answer admitted to the conduct alleged in the complaint that occurred on December 18, 2020.

II

The Executive Secretary requires that all buy-ins that occurred during the approximately 12-hour period on December 18, 2020 be refunded to the players that were identified in the amount of \$5,920.00.

The Executive Secretary imposes a monetary penalty of \$1,620.00, the amount of buy-ins from players that could not be identified. The monetary penalty is to be paid no later than March 1, 2021

Please remit penalty payment to:

South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD 57732

IV

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance will be made a public record.

V

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance is subject to the approval of the South Dakota Commission on Gaming and that execution of this document does not prohibit the Commission from re-opening this matter for further investigation which could lead to an administrative hearing before the Commission and further disciplinary action against the Defendant.

DATED at Deadwood, South Dakota, the 16th day of February 2021 .

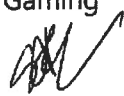
ZCN, LLC dba Deadwood Mountain Grand

Susan Christian
SUSAN CHRISTIAN, CIA
Executive Secretary
South Dakota Commission on Gaming

Defendant

By 

Its _____

Mark Hettzel - SDCG 

Dmg will pay the customers by March 16th, 2021. They will provide SDCG copies of payment and certified documentation that payment was delivered.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

February 1, 2021

ZCN, LLC dba Deadwood Mountain Grand
C/O Kasey L. Olivier, Registered Agent
6210 South Lyncrest Avenue
Sioux Falls, SD 57108

RE: South Dakota Commission on Gaming vs. ZCN, LLC dba Deadwood Mountain Grand
SDCG Lic# 11382-OP
Complaint Number 20-12-064-RB

Ms. Olivier,

Your response to the initial complaint delivered to you on or about December 31, 2020 has been received. Per ARSD 20:18:10:03 it has been determined that the complaint has merit for disciplinary action. A copy of ARSD 20:18:10:03 is enclosed.

An informal consultation to resolve this matter is scheduled for 9:00 a.m. on February 16, 2021 at the South Dakota Commission on Gaming office located at 87 Sherman Street, Deadwood, SD.

Sincerely,

Susan Christian, CIA
Executive Secretary

Telephone: (605) 773-6051 Pierre office
(605) 578-3074 Deadwood

office E-mail: susan.christian @state .sd.us

One enclosure

CC: SDCG Enforcement Agent Russ Belina by e-mail
Susan Kightlinger, General Manager, Deadwood Mountain Grand
Tyler Nold, Casino Manager, Deadwood Mountain Grand



SOUTH DAKOTA COMMISSION ON GAMING

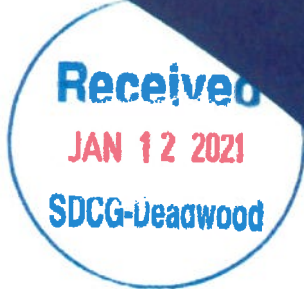
445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

20:18:10:03. Informal consultation. If the executive secretary considers the complaint to have merit for disciplinary action, the executive secretary may consult with the licensee and the parties affected in an effort to resolve the matter satisfactorily without a formal hearing. The executive secretary must notify in writing the complainant, the licensee complained against, and affected parties of the results of the informal consultation. The informal consultation does not prevent the commission from conducting a formal hearing.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-18, 42-7B-19, 42-7B-20, 42-7B-21, 42-7B-22, 42-7B-24, 42-7B-25, 42-7B-26.



January 11, 2021

Susan Christian
Executive Secretary
South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD 57732

RE: SD Commission on Gaming vs. ZCN, LLC dba Deadwood Mountain Grand
SDCG Lic#11382-OP
Complaint Number #20-12-064-RB

Dear Executive Secretary Christian,

In response to the complaint filed by Russell Belina of the SD Commission on Gaming that Deadwood Mountain Grand allowed a Blackjack game to operate while a King of Diamonds was missing from the deck in violation of ARSD 20:18:15:02.

On December 18th 2020, Deadwood Mountain Grand did operate a Blackjack game on table #1 for approximately 12 hours, while a King of Diamonds was missing from one of the decks in violation of the above mentioned rule.

The above mentioned card was lost from the deck when a dealer offered a cut of the cards by a customer, at which time the dealer lost control of the deck spilling cards both on and off the table. The dealer recovered the cards, shuffled and resumed the game as normal.

When the table closed at approximately 3am that morning and a count of the cards was conducted, it was discovered that the King of Diamonds was missing. After watching surveillance it was determined that the card was lost and became lodged in a stool at approximately 3:15pm following the above mentioned cut of the cards. We notified the Gaming Commission immediately upon discovering the missing card.

In response to the incident, procedures have changed that include all cards recounted and taken off table by the Pit Boss. Players on Table 1 will be identified and notified that the game was null and void and return losses to players.

In Summary, we are not disputing the violation. However, we are confident we have procedures in place going forward to assure it will not happen again.

Kindest Regards,


Susan Kightlinger
General Manager
Deadwood Mountain Grand

1906 Deadwood Mountain Drive
Deadwood, South Dakota 57732
877.907.GRAND (4726)
www.DeadwoodMountainGrand.com



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

December 30, 2020

ZNC, LLC dba Deadwood Mountain Grand
C/O Kasey L. Oliver, Registered Agent
6210 South Lyncrest Avenue
Sioux Falls, SD 57108

RE: South Dakota Commission on Gaming vs ZNC, LLC dba Deadwood Mountain Grand
SDCG Lic#11382-OP
Complaint Number #20-12-064-RB

This is to inform you that a complaint has been filed against you by Russell Belina, an Enforcement Agent of the South Dakota Commission on Gaming. The complaint alleges that on December 18, 2020, you allowed a Blackjack game to operate while a King of Diamonds was missing from the decks in violation of ARSD 20:18:15:02.

Copies of the regulations and statutes cited in the complaint are available at the Deadwood Public Library and are also available on the South Dakota Commission on Gaming website <https://dor.sd.gov/businesses/gaming/> and at the Deadwood office located at 87 Sherman Street.

You have 20 days from the receipt of this letter to answer the enclosed complaint. In your answer you may admit, deny, qualify or explain the allegations contained in the complaint. The answer must be in writing and mailed to the Executive Secretary of the South Dakota Commission on Gaming at the address printed above.

Sincerely,

Susan Christian, CIA
Executive Secretary
E-mail: susan.christian@state.sd.us

1 Enclosure

CC: SDCG enforcement Agent Russell Belina by e-mail
Susan Kightlinger, General Manager
Tyler Nold, Casino Manager



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

South Dakota Commission)	
on Gaming)	
)	
<i>Plaintiff,</i>	)	Initial Complaint Filed
	)	Pursuant to
Vs.	)	ARSD 20:18:10:01
)	
ZCN, LLC dba Deadwood Mountain Grand	)	Complaint # 20-12-064-RB
11382-OP)	
)	

The Complaint is made against the following Licensee:

ZCN, LLC dba Deadwood Mountain Grand
1906 Deadwood Mountain Drive
Deadwood, SD 57732

Generally, Licensee has engaged in conduct constituting grounds for disciplinary action. The conduct complained against is as follows:

On December 18th, 2020, the Deadwood Mountain Grand operated a blackjack game on table number one for approximately twelve hours, while a King of Diamonds card was missing from one of the decks. Operating a game without the correct number of cards in a deck is a violation of ARSD 20:18:15:02 which states in the following part:

ARSD 20:18:15:02. Cards. The value of the cards contained in a deck of cards is as follows:

A standard blackjack deck must contain 52 cards in four suits, hearts, diamonds, clubs, and spades, with each suit consisting of numerical cards from 2 to 10 and a jack, a queen, a king, and an ace.

Source: 16 SDR 57, effective October 1, 1989; 23 SDR 126, effective February 13, 1997; 41 SDR 7, effective July 29, 2014.

General Authority: SDCL 42-7B-7, 42-7B-11.

Law Implemented: SDCL 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-15.

Name of complaint Russell Belina
Address - 87 Sherman St
 Deadwood, SD 57732
 (605) 578-3074

The following witness could give testimony about the complaint:

Russell Belina
87 Sherman Street
Deadwood, SD 57732
(605) 578-3074

NOTICE TO:

ZCN, LLC dba Deadwood Mountain Grand
C/O Kasey L. Oliver, Registered Agent
6210 South Lyncrest Avenue
Sioux Falls, SD 57108

(DEFENDANT)

You are hereby notified that this complaint has been received by the Acting Executive Secretary, Susan Christian. Pursuant to the rules, you have 20 (twenty) days to answer this complaint. The answer may admit, deny, qualify, or explain the allegations contained in the complaint. You must file an original response with the Acting Executive Secretary of the South Dakota Commission on Gaming. Attach additional sheets of paper listing additional witnesses if necessary. Please mail response to the following address:

South Dakota Commission on Gaming
Acting Executive Secretary
Susan Christian
87 Sherman St
Deadwood, SD 57732

Dated the day of

Susan Christian
Acting Executive Secretary
South Dakota Commission on Gaming



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

TO: Commissioners and Mike Shaw
FROM: Susan Christian, Executive Secretary
SUBJECT: Stipulation and Assurance of Voluntary Compliance
BY Development dba Cadillac Jacks Lic# 0196-OP
Compliant #20-12-063-PS
DATE: March 17, 2021

On February 19, 2021 an informal consultation per ARSD 20:18:10:03 was held to resolve the violations alleged in the Initial Complaint that was filed by SDCG Gaming Technology Specialist Phil Schlieff on December 30, 2020.

Licensee responded January 18, 2021 admitting to the conduct alleged in the complaint.

Based on prior SDCG agreed upon Stipulation and Assurance of Voluntary Compliances regarding repeat audit findings Licensee was fined one thousand dollars and annual audits will be conducted by the SDCG until it has been determined that the Licensee is complying with all areas of their approved System Internal Controls. The fine was required to be paid by March 1, 2021.

On February 22, 2021 BY Development paid the fine.

Staff is recommending that the Commission accept the Stipulation and Assurance of Voluntary Compliance.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

- SOUTH DAKOTA COMMISSION
ON GAMING,

PLAINTIFF

STIPULATION AND ASSURANCE

VS.

OF VOLUNTARY COMPLIANCE

SDCG Case # 20-12-063-PS

BY Development dba Cadillac Jacks
SDCG Lic# 0196-OP

DEFENDANT

RECITALS

A complaint was filed against the Defendant on December 31, 2020 by Phil Schlieff, Gaming Technology Specialist for the South Dakota Commission on Gaming.

The parties wish to resolve the complaint by a Stipulation of Assurance and Voluntary Compliance.

An Informal Consultation was held between the Executive Secretary and the Defendant on February 16, 2021

I

The complaint filed on December 31, 2021 alleged that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to comply with the approved System of Internal Controls. The complaint alleges that this was identified in a prior audit.

II

The Defendant answered the complaint on or about January 18, 2021. In the licensee's answer Mr. David Schneider admitted to the conduct alleged in the complaint filed on December 31, 2021.

III

The South Dakota Commission on Gaming recognizes that the Operator has accepted responsibility for the repeat audit findings and has implemented processes and controls to mitigate the risk of the issues reoccurring.

The Licensee is in violation of the following South Dakota Commission on Gaming rule and regulation:

20:18:12.01:15. Compliance with Gaming Internal Control and Revenue Reporting Manual. All licensees must comply with the Gaming Internal Control and Revenue Reporting Manual located in Appendix A at the end of this article unless an exemption or deviation is approved by the executive secretary.

Source: 19 SDR 21, effective August 20, 1992; transferred from § 20:18:21:24, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL [42-7B-7](#), [42-7B-25.1](#).

Law Implemented: SDCL [42-7B-1](#), [42-7B-2](#), [42-7B-2.1](#), [42-7B-3](#), [42-7B-4](#), [42-7B-7](#), [42-7B-11](#), [42-7B-14](#), [42-7B-15](#), [42-7B-17](#), [42-7B-25.1](#).

IV

Annual IT audits will be conducted until it has been determined by the South Dakota Commission on Gaming that the Licensee is complying with all areas of the approved System Internal Controls.

The Executive Secretary imposes a monetary penalty of One Thousand Dollars (\$1,000.00) to be paid no later than March 1, 2021. Please remit penalty payment to:

South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD 57732

V

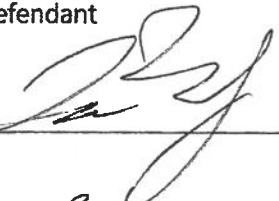

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance will be made a public record.

The Defendant recognizes that this Stipulation of Assurance and Voluntary Compliance is subject to the approval of the South Dakota Commission on Gaming and that execution of this document does not prohibit the Commission from re-opening this matter for further investigation which could lead to an administrative hearing before the Commission and further disciplinary action against the Defendant.

DATED at Deadwood, South Dakota, the 19th day of February 2021 .


SUSAN CHRISTIAN, CIA
Executive Secretary
South Dakota Commission on Gaming

BY Development
Dba Cadillac Jacks
Defendant

By 
Its 



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

February 1, 2021

BY Development dba Cadillac Jacks
C/O Paul Bradsky
927 Main Street
Rapid City, SD 57701-2639

RE: South Dakota Commission on Gaming vs. BY Development dba Cadillac Jacks
SDCG License Number 0196-OP
Complaint Number 20-12-063-PS

Mr. Bradsky,

Your response to the initial complaint delivered to you on or about January 4, 2021 has been received. Per ARSD 20:18:10:03 it has been determined that the complaint has merit for disciplinary action. A copy of ARSD 20:18:10:03 is enclosed.

An informal consultation to resolve this matter is scheduled for 1:00 p.m. on February 16, 2021 at the South Dakota Commission on Gaming office located at 87 Sherman Street, Deadwood, SD.

Sincerely,

Susan Christian, CIA
Executive Secretary

e-mail: susan.christian@state.sd.us

1 Enclosure

CC: Philip Schlieff by e-mail
David Schneiter by e-mail



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

20:18:10:03. Informal consultation. If the executive secretary considers the complaint to have merit for disciplinary action, the executive secretary may consult with the licensee and the parties affected in an effort to resolve the matter satisfactorily without a formal hearing. The executive secretary must notify in writing the complainant, the licensee complained against, and affected parties of the results of the informal consultation. The informal consultation does not prevent the commission from conducting a formal hearing.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-18, 42-7B-19, 42-7B-20, 42-7B-21, 42-7B-22, 42-7B-24, 42-7B-25, 42-7B-26.



January 18, 2021

Susan Christian
Executive Secretary
South Dakota Commission on Gaming
445 East Capital Avenue
Pierre, South Dakota 57501

RE: South Dakota Commission on Gaming vs. BY Development dba Cadillac Jacks
SDCG License Number 0196-OP
Complaint Number 20-12-063-PS

Dear Executive Secretary Christian,

In response to a complaint filed by the South Dakota Commission on Gaming dated December 31, 2020, Cadillac Jacks Gaming Resort acknowledges the violation of ARSD 20:18:18:24.02; On-line monitoring and control system access and control.

Cadillac Jacks Gaming Resort acknowledges the repeat findings from the previous review of Internal Controls for Slot Management Systems in February 2017.

More Domain Administrator access than allowed by approved Internal Controls:

Domain Administrator access was corrected from the Internal Control Audit dated February 2017. Since the last audit Cadillac Jack's acknowledges the failure to update Internal Controls to reflect additional Admin access for service accounts needed for normal daily functions.

Two individual accounts had been identified as findings in the audit review. One account was to assist in the malware remediation in September 2018, this account had been disabled after the remediation but was not removed from the domain list.

The Casino Manager was listed as an administrative backup for the IT Manager which requires Domain Administrator privileges. This account was listed as an administrator for the IGT Advantage system within the Internal Control, but we failed to list under the Domain Administrator section of the approved Internal Controls.

The IT Manager has made updates to the Domain Controller; updates to the Internal Controls will be submitted and each issue will be corrected by the IT Manager with the removal of Domain Administrators that are no longer needed.

Restore testing is not being completed or documented per approved Internal Controls:

Cadillac Jacks acknowledges restore testing had not been completed in 2017.

Cadillac Jacks has performed an actual restore of the gaming system on 9/22/2018 due to a ransomware attack, however the restore was not documented. We can confirm from our Veeam logs that systems were restored from backups. Please see attachments: Exhibit B

Cadillac Jacks acknowledges restore testing did not take place in 2019.

Cadillac Jacks Gaming Resort also experienced a system hardware failure on March 29th, 2020 during the city mandated shutdown period due to Covid in March 2020. This resulted in a complete system restore completed on 4/12/2020 where we again failed to document the full restore of the system. However, we do have system restore information from Veeam logs that can verify the restore from backups. Please see attachments: Exhibit A

The IT Manager was in the process of completing restore testing during the 2020 Internal Audit and testing has been completed as of 11/20/2020.

The IT Manager has enacted scheduled calendar reminders to complete the system restore testing, which will also notify the Resort General Manager and Casino Manager.

Please note, we have successfully restored the system twice from offsite backups due to critical system failures. We would like to provide Philip Schleif Gaming Technology Specialist with information regarding the system logs that we do have to confirm successful restoration of the Slot Management System.

Users are not being removed from the system as required by the approved Internal Controls:

Cadillac Jacks Gaming Resort acknowledges that our process has experienced human errors in completing the removal of users.

We have implemented a notification system through automated termination forms that notifies the IT Manager of terminations; this prompts the removal of terminated staff members from our system.

Users have more access in the system than allowed in approved Internal Controls:

We believed this issue had been resolved from the prior audit. We have identified the positions in question after a review with Philip Schleif for clarification of the violation. We will be updating our Internal Controls to reflect the proper access.

Monthly list sent to SDCOG does not match system list of users.

We acknowledge that the monthly list of users did not match the system list. We have reviewed the entire list and will be correcting the position titles and we will be adding a column to the monthly list that reflects both the system title as well as the human resources title of each associate.

The Management staff along with the IT Manager are committed to resolving the repeat findings to ensure compliance with ARSD 20:18:18:24.02; along with updates to Cadillac Jacks Gaming Resort Internal Controls.

Sincerely,

A handwritten signature in black ink, appearing to read "David Schneiter". The signature is fluid and cursive, with a large initial "D" and "S".

David Schneiter
Resort General Manager
Cadillac Jacks Gaming Resort
Deadwood South Dakota 57732
605-578-1500 ext.110

The following witnesses could give testimony about the complaint.

Michael Key
IT Manager
Cadillac Jacks Gaming Resort
Deadwood South Dakota 57732

Tim Atyeo
Casino Manager
Cadillac Jacks Gaming Resort
Deadwood South Dakota 57732



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

December 31, 2020

BY Development dba Cadillac Jacks
C/O Paul Bradsky
927 Main Street
Rapid City, SD 57701-2639

RE: South Dakota Commission on Gaming vs. BY Development dba Cadillac Jacks
SDCG License Number 0196-OP
Complaint Number 20-12-063-PS

Mr. Bradsky,

This is to inform you that a complaint has been filed against you by Philip Schlieff, Gaming Technology Specialist of the South Dakota Commission on Gaming. The complaint alleges that compliance issues identified in the current audit had been identified in the prior audit conducted beginning in February of 2017 and that BY Development did not address the compliance issues as indicated in the response to the audit findings letter dated June 13, 2017.

Copies of the regulations and statutes cited in the complaint are available at the Deadwood Public Library and are also available on the South Dakota Commission on Gaming website <https://dor.sd.gov/businesses/gaming/> and at the Deadwood office located at 87 Sherman Street.

You have 20 days from the receipt of this letter to answer the enclosed complaint. In your answer you may admit, deny, qualify or explain the allegations contained in the complaint. The answer must be in writing and mailed to the Executive Secretary of the South Dakota Commission on Gaming at the address printed above.

Sincerely,


Susan Christian, CIA
Executive Secretary

e-mail: susan.christian@state.sd.us

1 Enclosure

CC: Philip Schlieff by e-mail
David Schneiter by e-mail

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE AND REGULATION
SOUTH DAKOTA COMMISSION ON GAMING

South Dakota)	
Commission on Gaming)	
)	
)	
Plaintiff,	)	Initial Complaint Filed
	)	Pursuant to
)	
Vs.	)	ARSD 20:18:10:01
)	
	)	SDCG Case # 20-12-063-PS
BY Development dba Cadillac Jacks)	
)	
SDCG Lic. #0196-OP)	
Defendant.)	

Generally, licensee has engaged in conduct constituting grounds for disciplinary action. The conduct complained against is as follows:

In the process of completing the *Review of Internal Controls for Slot Management Systems* dated 09/17/20, Gaming Technology Specialist Philip Schlieff identified repeat findings from their previous review in February 2017 that the Defendant had responded that they had adjusted their process to correct the problems. Specifically,

- More Domain Administrator access than allowed by approved Internal Controls.
- Restore testing is not being completed or documented per the approved Internal Controls.
- Users are not being removed from the system as required by the approved Internal Controls.
- Users have more access in system than allowed in approved Internal Controls.
- Monthly list sent to SDCOG does not match system list of users.

This Conduct violates ARSD 20:18:18:24.02

20:18:18:24.02. On-line monitoring and control system access and control.

A licensee must maintain a secure control environment for any on-line monitoring and controls system.

System hardware must be located in an area approved by the executive secretary. Access to the area is restricted to licensed employees and to vendors who are accompanied by a licensed employee.

The licensee must provide internal controls that protect the integrity of all hardware, networks, applications, databases, and data to the executive secretary for approval prior to completion of the system testing period and final approval of the system.

20:18:09:01. Grounds for disciplinary action. The following acts or omissions are grounds for disciplinary action:

(9) Failure to comply with or make provision for compliance with all federal, state, and local laws, rules, regulations, and ordinances, including payment of license fees, sales taxes, use taxes, federal, state, and local income taxes, withholding and payroll taxes, liquor and license fees, and antitrust and monopoly statutes;

Dated this 15th day of December 2020

Name of complainant: Philip Schlieff

Address - 87 Sherman St
Deadwood, SD 57732
(605) 578-3074

The following witnesses could give testimony about the complaint.

Philip Schlieff - Gaming Technology Specialist
South Dakota Commission on Gaming
87 Sherman St
Deadwood, SD 57732

NOTICE TO:

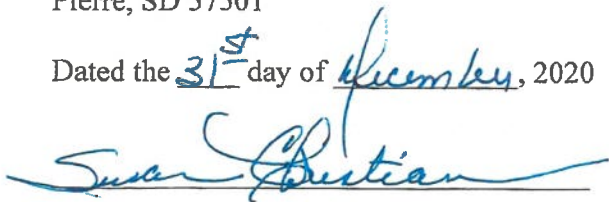
Paul J. Bradsky
927 Main St
Rapid City SD 57701-2639

(DEFENDANT)

You are hereby notified that this complaint has been received by the Executive Secretary, Susan Christian. Pursuant to the rules, you have 20 (twenty) days to answer this complaint. The answer may admit, deny, qualify, or explain the allegations contained in the complaint. You must file an original response with the Executive Secretary of the South Dakota Commission on Gaming. Attach additional sheets of paper listing additional witnesses if necessary. Please mail response to the following address:

Susan Christian
Executive Secretary
445 E Capitol Ave.
Pierre, SD 57501

Dated the 31st day of December, 2020





SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 773-6051 • dor.sd.gov/gaming

TO: Commissioners and Mike Shaw
FROM: Susan Christian, Executive Secretary
SUBJECT: Verendrye Benevolent Association request to change approved live horse racing dates
DATE: March 17, 2021

On December 16, 2020 at the quarterly commission meeting the Verendrye Benevolent Association request and was granted approval to conduct a live horse race meet on September 25th and 26th 2021.

Due to conflicts with competing tracks the Verendrye Benevolent Association is requesting approval to move the meet to October 2nd and 3rd 2021.

Staff is recommending that the Commission approve the date change for the live horse racing to be held in Ft. Pierre.

RECEIVED

FEB 22 2021

SD COMMISSION ON GAMING-PIERRE

VERENDRYE BENEVOLENT ASSOCIATION

PO box 426
Fort Pierre, SD 57532

February 22, 2021

OFFICIAL REQUEST FOR CHANGE OF REQUESTED RACING DATES

The Verendrye Benevolent is hereby requesting an official change of dates in which to host 2021 Fort Pierre Horse Races. The South Dakota Commission on Gaming had previously granted the requested dates of September 25th and 26th, 2021 to the VBA. After recognizing several arisen conflicts that may not allow our hosted race meet to accomplish its greatest potential we are requesting this amendment. The VBA is officially requesting that the original granted dates of September 25th and 26th, 2021 be amended to **October 2nd and 3rd, 2021**. The VBA would like to thank you for your considerations and looks forward with excitement in working cooperatively with the SDCG to provide the most successful event possible for our great state.

Shane Kramme
General Manager
Vice President
Verendrye Benevolent Association
PO Box 426
Fort Pierre, SD 57532



Shane Kramme
General Manager
Vice President

South Dakota Commission on Gaming
Licensing
March 17, 2021

Key License

- ✓ Jonathan Scroggins
- ✓ Robert Greco
- ✓ Timothy Storey
- ✓ James Suurmeier
- ✓ Terri Ward
- ✓ Walter Winder

Key License Renewal

- ✓ Brenda Alexander
- ✓ Jesse Allen
- ✓ Thomas Frank
- ✓ Trevor Taylor
- ✓ Jim Vinson

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

- ✓ Staff Recommends approval of five Retail licenses for SRK Development and that they be assigned to Hickoks (**11965, 11966 & 11967-RT's**) at 685 Main Street and to the Bullock Hotel (**11985 & 11964-RT's**) at 658 Main Street.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732

(605) 578-3074 • dor.sd.gov/gaming

MEMORANDUM

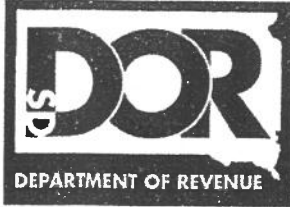
DATE: December 31, 2020
TO: South Dakota Commission on Gaming
FROM: S/A Angela J. Wilkerson
SUBJECT: Jonathan D. Scroggins

Jonathan Scroggins is presently employed as the Casino Host and Assistant Casino Manager at Tin Lizzie Gaming Resort in Deadwood, SD. Scroggins has been employed with Tin Lizzie's in a gaming role since March of 2020.

Scroggins received his first gaming license in March of 2020 from the South Dakota Commission on Gaming (SDCG). He is applying for Key licensure at the request of his employer due to increased responsibility. Scroggins has never been licensed in any other gaming jurisdiction and has had no disciplinary actions since receiving a Support License with the SDCG.

Recommendation: Upon completion of this background investigation, it is recommended that Jonathan D. Scroggins be **approved** for a Key License. There was nothing found during the course of this investigation that would preclude him from Key licensure in Deadwood.

Angela J. Wilkerson
Special Agent
South Dakota Commission on Gaming



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

MEMORANDUM

DATE: January 7, 2021
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Robert Greco

Robert applied for and obtained his support license in September of 2020. He is currently working at Cadillac Jacks Casino as a cashier and floor supervisor. Robert is attempting to obtain a key license to open more possibilities for him and help his employer out.

Concerns: None

Recommendations: It is recommended that the applicant be approved for a Key Employee license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

MEMORANDUM

DATE: March 1, 2021
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Timothy Storey

Timothy applied for and obtained his support license in August of 2020. He is currently working at First Gold Hotel and Casino in customer service. Timothy gives patron rides to and from the hotel and casino and fills in where needed. Timothy is attempting to obtain a key license to open more possibilities for him and help his employer out.

Concerns: None

Recommendations: It is recommended that the applicant be approved for a Key Employee license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

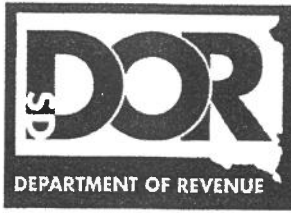
MEMORANDUM

DATE: March 3, 2021
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: James Suurmeier

James applied for and obtained his support license in January of 2020. He is currently working at Deadwood Mountain Grand as a floor supervisor. James is attempting to obtain a key license to open more possibilities for him and help his employer out.

Concerns: None

Recommendations: It is recommended that the applicant be approved for a Key Employee license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.



SOUTH DAKOTA COMMISSION ON GAMING
87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

MEMORANDUM

DATE: March 03, 2021
TO: South Dakota Commission on Gaming
FROM: S/A Angela J. Wilkerson
SUBJECT: Terri A. Ward

Terri Ward is presently employed as the Controller at First Gold in Deadwood, SD. She has been employed with First Gold since April of 2020.

Ward received a Support License with the South Dakota Commission on Gaming (SDCG) in May of 2020. Ward has never been licensed in any other gaming jurisdiction and has had no disciplinary actions since receiving a Support License with the SDCG.

Recommendation: Upon completion of this background investigation, it is recommended that Terri A. Ward be **approved** for a Key License. There was nothing found during the course of this investigation that would preclude her from Key licensure in Deadwood.

Angela J. Wilkerson
SPECIAL AGENT – INVESTIGATIONS / ENFORCEMENT
SD COMMISSION ON GAMING



SOUTH DAKOTA COMMISSION ON GAMING
87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

March 4, 2021

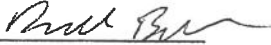
MEMORANDUM

DATE: Thursday, March 04, 2021
TO: South Dakota Commission on Gaming
FROM: Russell Belina
SUBJECT: Walter Winder

The applicant is currently working at the Mineral Palace Casino in the Players Club department and he also works part-time in the security department for Allied Universal Security in Rapid City. The applicant is seeking his licensure so he can continue to work at the Mineral Palace as a possible Floor Supervisor or in positions of higher responsibility. Walter has held a Gaming Support License since January of 2013 and has never had any disciplinary actions taken against him.

Concerns: None

Recommendations: It is recommended that the applicant be approved for a Key Employee license. No derogatory information was discovered during this background investigation that would prevent the applicant from obtaining a license.


Russ Belina
Enforcement Agent



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
(605) 578-3074 • dor.sd.gov/gaming

DATE: January 5, 2021

TO: SD Commission on Gaming

FROM: Craig Sparrow, Deputy Exec. Secretary

RE: SRK Development – DHIH, LLC & DBUH, LLC Retail licenses

We received applications along with the application fees from SRK Development, LLC who was approved for a Retail license at the June 2020 Commission Meeting after completing background investigation. SRK Development purchased two casinos/hotels in Deadwood (Hickoks & Bullock). The closing on the properties was completed the end of December.

Prior to the closing on December 15, 2020, we received 5 retail licenses application and fees to be assigned at two casino properties in Deadwood, three at Hickoks and two at the Bullock. SRK Development purchased these properties in the names of a wholly owned subsidiaries; DHIH, LLC for Hickoks and DBUH, LLC for the Bullock.

Staff Recommends approval of five Retail licenses and that they be assigned to Hickoks (**11965, 11966 & 11967-RT's**) at 685 Main Street and to the Bullock Hotel (**11985 & 11964-RT's**) at 658 Main Street.