

SOUTH DAKOTA COMMISSION ON GAMING

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

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

MINUTES

March 17, 2021

At 9:03 a.m. the meeting was called to order. Commissioner Karen Wagner and Commissioner Karl Fischer were present. Commissioner Dennis McFarland and Commissioner Bob Goetz participated via Zoom. Commissioner Mike Wordeman was unable to attend the meeting. Staff members present for the meeting were Douglas Abraham, Commission Attorney; Susan Christian, Executive Secretary; Craig Sparrow, Deputy Executive Secretary; and Phil Schlieff, IT Specialist.

The meeting was called to order by Commissioner Wagner at 9:03 a.m.

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

Commissioner McFarland	Nay
Commissioner Fischer	Nay
Commissioner Goetz	Nay
Commissioner Wagner	Nay

All voting will be done by a roll call. A roll call was taken, and a quorum was present.

Administrative Hearing

The court reporter for the hearing was Veronica Fish. The following case was scheduled to be heard:

- David Meddings appeal of action taken by Commission

David Meddings

Commissioner Wagner will be serving as the hearing officer. The purpose of the hearing was a request to appeal the action taken on the revocation of Mr. Meddings gaming license. Mr. Meddings was present for the hearing. The matter to be asserted is that on January 9, 2020 the Defendant plead guilty to a charge of SDCL 32-23-1(2) Driving Under the Influence, a Class 6 Felony and that on February 7, 2020 the Defendant received an Order Suspending Imposition of Sentence in Lawrence County Circuit Court, Fourth Judicial Circuit and voluntarily surrendered his gaming license in March 2020. As a result of the voluntary surrender, the Gaming Commission revoked Defendant's gaming license. Staff recommended that his gaming license not be returned to him. The decision on this matter is deferred to Executive Session.

General Meeting

Commissioner Wagner called the general meeting to order at 9:35 a.m. and a roll call was taken.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Adoption of Quarterly Business Meeting Agenda

Commissioner Fischer made a motion to adopt the agenda. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

December 16, 2020 Quarterly Meeting

Commissioner McFarland made a motion to adopt the minutes as drafted for the December 16, 2020 quarterly meeting. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Old Business

There was no old business to be discussed at the meeting.

Special Recognition

Commissioner Wagner presented a plaque to Commissioner McFarland in appreciation of his six years of dedicated service. Commissioner McFarland's term on the Commission ends on April 1, 2021.

Executive Secretary Report

Susan Christian, Executive Secretary, gave a brief report on the following items: for the last three months staff has been working on the Sports Wagering bill during Legislative session; staff will be working on the rules and regulations for Sports Wagering and hoping to have completed sometime around the first part of September; it has been a year since the COVID and travel is still limited so all conferences are still being held virtually; starting in June and July there are some organizations that will be having in person conferences. This is for information purposes only so no action was taken.

Comments Department of Revenue Deputy Secretary David Wiest

Deputy Secretary of Revenue, David Wiest, gave a brief update on the Legislative session, Senate Bill 44 regarding Sports Wagering, and recreational and medical marijuana.

Stipulation of Assurance and Voluntary Compliance

James Jenkins

A monetary penalty of \$50.00 to be paid not later than March 1, 2021 and suspension of his gaming license for seven days was imposed for a complaint that was filed on December 30, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by conducting table games with a deck of less than the 52 cards as required per ARSD 20:18:15:02. An informal consultation was held, and Licensee agreed to the penalty, surrendered his gaming license, and paid the fine.

Commissioner McFarland made a motion to accept the Stipulation of Assurance and Voluntary Compliance and imposed penalty. Commissioner Goetz seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

ZCN, LLC dba Deadwood Mountain Grand

A monetary penalty of \$1,620.00 to be paid not later than March 1, 2021 was imposed for a complaint that was filed on December 30, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by conducting table games with a deck of less than the 52 cards as required per ARSD 20:18:15:02. Licensee was required to refund buy-ins to the identified patrons in the amount of \$5,920.00. An informal consultation was held, and Licensee agreed to the penalty, paid the fine, and provided copies of the checks written to the customers.

Commissioner Fischer made a motion to accept the Stipulation of Assurance and Voluntary Compliance and imposed penalty. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

By Development dba Cadillac Jack's

A monetary penalty of \$1,000.00 to be paid not later than March 1, 2021 was imposed for a complaint that was filed on December 31, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action regarding repeat audit findings. Annual audits will be conducted by the SDCG until it has been determined that Licensee is complying with all areas of their approved System Internal Controls. An informal consultation was held, and Licensee agreed to the penalty and paid the fine.

Commissioner McFarland made a motion to accept the Stipulation of Assurance and Voluntary Compliance and imposed penalty. Commissioner Goetz seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Live Racing Matters

Verendrye Benevolent Association request to change Race Dates for 2021 Race Season

On December 16, 2020 at the quarterly commission meeting the Verendrye Benevolent Association requested and was granted approval to conduct live horse race meet on September 25th and 26th of 2021. Due to conflicts with competing tracks the Verendrye Benevolent Association is requesting approval to move the meet to October 2nd and 3rd 2021.

Commissioner Fischer made a motion to approve the request to move the meet dates for the 2021 race season. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Sparrow recommended approval of the following:

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

Commissioner Fischer made a motion to approve the Key License approvals as staff recommended. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

2021 Key Renewals

Deputy Executive Secretary Sparrow recommended approval of the following Key renewals.

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

Commissioner McFarland made a motion to approve the Key License renewals as staff recommended. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

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

Deputy Executive Secretary Sparrow recommended approval of the following:

- ✓ 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.

Commissioner McFarland made a motion to approve the ratification of licensing action by the Executive Secretary. Commissioner Goetz seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Date of Next Meeting

The next quarterly meeting is scheduled for June 16, 2021.

Public Comment

Mike Rodman, Executive Director of the Deadwood Gaming Association, addressed the Commission stating that it was a pleasure to assist with Senate Bill 44 during the Legislative session and thanked Susan Christian, Craig Sparrow, and David Wiest for all the work that they did on the bill. The Deadwood Gaming Association is looking forward to assisting with putting the rules in place for Sports Wagering.

Executive Session

Commissioner Fischer made a motion to go into Executive Session. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

At 10:03 a.m. the Commissioners went into Executive Session pursuant to SDCL 1-25-2 (1) (3) and (4), and 42-7B-8.1 (3) and (4).

The Executive Session was concluded at 10:41 a.m.

Actions Items

Decision David Meddings

Commissioner McFarland made a motion to deny the appeal of Mr. Meddings. Commissioner Goetz seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

Letter to Attorney General

Commissioner Goetz made a motion to direct Mike Shaw, Commission Attorney, to send a letter to the South Dakota Attorney General advising them of issues relating to internet gaming from out of state companies that is illegal pursuant to SD Code and Law 22-25A. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

With no further business to be discussed Commissioner Fischer made a motion to adjourn the meeting. Commissioner Goetz seconded the motion.

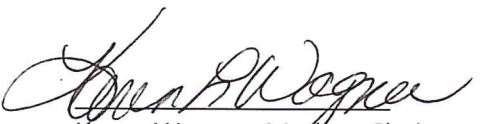
On a roll call vote motion was carried unanimously.

Commissioner McFarland	Aye
Commissioner Fischer	Aye
Commissioner Goetz	Aye
Commissioner Wagner	Aye

The meeting was adjourned at 10:45 a.m.

Respectfully Submitted,

Kathy Beringer


Karen Wagner, Madam Chairman


Susan Christian, Executive Secretary