

SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732
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South Dakota Commission on Gaming Administrative Hearings, Public Hearing on Proposed Rule Changes, and Quarterly Business Meeting Deadwood City Hall, Deadwood, South Dakota

MINUTES

December 16, 2020

At 9:00 a.m. the meeting was called to order. Commissioner Karen Wagner, Commissioner Karl Fischer and Commissioner Bob Goetz were present. Commissioner Dennis McFarland and Commissioner Mike Wordeman participated via Zoom. Staff members present for the meeting were Mike Shaw, Commission Attorney; Susan Christian, Executive Secretary; Craig Sparrow, Deputy Executive Secretary; Mark Heltzel, Enforcement Agent; Angela Wilkerson, Enforcement Agent; and Phil Schlieff, IT Specialist.

The meeting was called to order by Commissioner Wagner at 9:00 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 Wordeman	Nay
Commissioner Wagner	Nay

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

Demonstration of Dakota Duel Draw

James Reed, representing Dakota Duel Draw, gave a demonstration of the game.

Proposed Rule Amendment and New Rule

ARSD 20:18:16:02 Types of poker authorized

ARSD 20:18:16:15.23 Variation of the play-Dakota Duel Draw

Commissioner Wagner designated Mike Shaw as the hearing officer. James Reed, the originator of a variation of poker called Dakota Duel Draw testified in favor of ARSD 20:18:16:15.23 and submitted written testimony in support.

The decision on the proposed rules was deferred to the end of the meeting.

Administrative Hearings

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

- David Meddings appeal of action taken by Commission
- Jeffrey Vetter appeal of action taken by Executive Secretary

David Meddings

The hearing for Mr. Meddings will be postponed to another date.

It was noted that on the agenda page 2 the name for Mr. Vetter was spelled incorrectly and it should be Jeffrey Vetter.

Jeffrey Vetter

The purpose of this hearing is to take action on the appeal of the denial of Mr. Vetter's petition for the deletion of **ARSD 20:18:12.01:18**. Mr. Vetter was present for the hearing. The hearing is held under the authority and jurisdiction of **ARSD 20:18:11:01** and **SDCL Chapter 1-26**. The matter asserted is that Mr. Vetter petitioned for the deletion of **ARSD 20:18:12.01:18**, a rule that prohibits the use of electronic devices for communication at any player banked gaming table, which petition was denied without a hearing and Mr. Vetter has appealed that denial to the Commission. The decision on this matter is deferred to Executive Session.

General Meeting

Commissioner Wagner called the general meeting to order at 9:39 a.m.

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 Wordeman	Aye
Commissioner Wagner	Aye

September 16, 2020 Quarterly Meeting

Commissioner McFarland made a motion to adopt the minutes as drafted for the September 16, 2020 quarterly 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 Wordeman	Aye
Commissioner Wagner	Aye

Old Business

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

Executive Secretary Report

Susan Christian, Executive Secretary, gave a brief report on the following items: The ARCI boards main concern is the Horse Racing Integrity Act at the Federal level that will put the regulation of horse racing under a federal agency and anticipate the bill will pass in December; the NAGRA is planning on having a conference in the spring in Louisville, Kentucky; on October 3rd and 4th, the Verendrye Benevolent Association held the annual live horse racing meet and a preliminary report is that the VBA had a net profit in excess of \$25,000; the Yankton Sioux Tribe compact auto renewed and is in effect until October 2024; and the Rosebud Sioux Tribe has requested to negotiate their compact and the initial negotiation meeting is scheduled for January 4, 2021. This is for information purposes only so no action was taken.

Comments Department of Revenue Secretary Jim Terwilliger

Secretary of Revenue, Jim Terwilliger, gave a brief update on items for the upcoming Legislative session, research for medical and recreational marijuana, strategic planning, and on enabling legislation for sports betting.

Stipulation of Assurance and Voluntary Compliance

Saloon Gaming, Inc.

A monetary penalty of \$1,000.00 to be paid not later than October 20, 2020 was imposed for a complaint that was filed on July 21, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to inspect recording equipment daily and maintain a written record of the inspection per **ARSD 20:18:29:14** for four (4) days during the period of May 28, 2020 through July 13, 2002. An informal consultation was held, and Licensee has agreed to the penalty and paid the fine.

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

On a roll call vote motion was carried unanimously.

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

Super G Investments Co

A monetary penalty of \$1,000.00 to be paid not later than December 16, 2020 was imposed for a complaint that was filed on September 18, 2020 alleging 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. SDCG staff will conduct annual IT audits until it has been determined by the South Dakota Commission on Gaming that the Licensee is in compliance with all areas of the approved System of Internal Controls. An informal consultation was held, and Licensee has agreed to the penalty and paid the fine.

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

On a roll call vote motion was carried unanimously.

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

Black Diamond, LLC

A monetary penalty of \$3,500.00 to be paid not later than December 16, 2020 was imposed for a complaint that was filed on September 24, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by not maintaining 14 days of recorded images from September 8, 2020 to September 22, 2020 of video recording as required. An informal consultation was held, and Licensee has 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 Wordeman seconded the motion.

On a roll call vote motion was carried unanimously.

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

Stuart Kopp

A monetary penalty of \$50.00 and suspension of his gaming license for seven (7) days from December 7, 2020 through December 13, 2020 and is required to surrender his support license. The complaint filed on October 23, 2020 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action on October 9, 2020 by failing to conduct the game of Blackjack with a complete standard deck of 52 cards as required per **ARSD 20:18:15:02**. Licensee may pick up his license on December 14, 2020 at the South Dakota Commission on Gaming location at which time the monetary fine of \$50.00 is to be paid. An informal consultation was held, and Licensee agreed to the penalty, surrendered his gaming license, and paid the fine.

Commissioner Wordeman 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 Wordeman	Aye
Commissioner Wagner	Aye

Live Racing Matters

Resolution 12-16-20-01 Release of Deposit in Lieu of Bond Agreement

Commissioner McFarland made a motion to approve resolution 12-16-20-01. Commissioner Wordeman seconded the motion.

On a roll call vote motion was carried unanimously.

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

Verendrye Benevolent Association Race Dates for 2021 Race Season

Saturday September 25, 2021

Sunday September 26, 2021

Commissioner McFarland made a motion to approve the dates for the 2021 race season. Commissioner Goetz seconded the motion.

On a roll call vote motion was carried unanimously.

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

AmWest Simulcast Provider License Renewal

Commissioner McFarland made a motion to approve the renewal for the simulcast provider license. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

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

Triple Crown Casino Simulcast Site License Renewal

Commissioner Wordeman made a motion to approve the renewal for the simulcast site license. Commissioner McFarland seconded the motion.

On a roll call vote motion was carried unanimously.

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

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Sparrow recommended approval of the following:

- ✓ Kady Schmitz
- ✓ Phyllis Freeman
- ✓ Edward Kramp
- ✓ Mitchell Houchins

Commissioner McFarland made a motion to approve the Key License approvals 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 Wordeman	Aye
Commissioner Wagner	Aye

2021 Key Renewals

Deputy Executive Secretary Sparrow recommended approval of the Key renewals as listed on pages 136-137 of the meeting packet.

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

On a roll call vote motion was carried unanimously.

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

Business License Approval

Deputy Executive Secretary Sparrow recommended approval of the following:

- ✓ Approval of Hiromi Okada **(11341-DR)** and Masumi Fujisawa **(11367-DR)** as Directors on the Aruze Gaming America, Inc. Manufacturer's licenses **(0133-MA)**.
- ✓ Approval of John Connolly IV **(11699-DR)** as a Director on the Interblock d.d **(0124-MA)** Manufacturer's license.
- ✓ Approval of Global Payments Gaming Solutions **(11790-AE)**, with LaMonte Williams II **(11794-DR)** and Christopher Justice **(11795-DR)** as Directors of an Associated Equipment license.
- ✓ Approval of Quantum Systems Solutions, LLC **(11617-AE)** with Zoltan Hader **(11618-OW)** as owners of an Associated Equipment license.

Commissioner Wordeman made a motion to approve the business license's 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 Wordeman	Aye
Commissioner Wagner	Aye

Dates for quarterly meeting in 2021

Wednesday, March 17, 2021
Wednesday, June 16, 2021
Wednesday, September 15, 2021
Wednesday, December 15, 2021

Commissioner McFarland made a motion approve the Wednesday dates for the 2021 quarterly meetings.
Commissioner Wordeman seconded the motion.

On a roll call vote motion was carried unanimously.

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

Public Comment

Karen Wagner thanked Phil Schlieff for the tech support to make sure that the meeting goes smoothly.

Mike Rodman, Executive Director of the DGA, commended the Department of Revenue and the Commission on Gaming on the excellent draft enabled for the Legislative session. The industry standpoint is to try to be consensus and educate themselves on sports betting, so they have retained Global Market Advisors to help in the process. Brendan Busman, representing Global Market Advisors, introduced himself and is looking forward to working with everyone.

Executive Session

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

On a roll call vote motion was carried unanimously.

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

At 10:15 a.m. the Commissioners went into Executive Session pursuant to SDCL 1-25-2 (1) (3) and (4), and 42-7B-8.1 (4).

The Executive Session was concluded at 10:24 a.m.

Decisions on Proposed Rules

ARSD 20:18:16:02 Types of Poker authorized

ARSD 20:18:16:15.23 Variations of play-Dakota Duel Draw

Commissioner McFarland made a motion to approve the Dakota Duel Draw game and its attendant rules, ARSD 20:18:16:02 and 20:18:16:15.23. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

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

Decision Jeffrey Vetter Appeal

Commissioner Goetz made a motion to deny the appeal request. Commissioner Fischer seconded the motion.

On a roll call vote motion was carried unanimously.

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

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

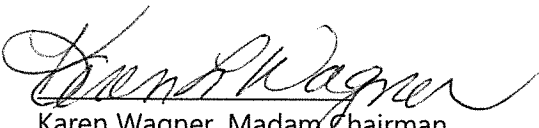
On a roll call vote motion was carried unanimously.

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

The meeting was adjourned at 10:28 a.m.

Respectfully Submitted,

Kathy Fredericksen


Karen Wagner, Madam Chairman


Susan Christian, Executive Secretary



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
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RESOLUTION 12-16-20-01

Pursuant to Section 5 of the Deposit In Lieu of Bond Agreement entered into on September 28, 2020 the South Dakota Commission on Gaming hereby authorizes and direct Michael F. Shaw and Susan Christian to release the funds on deposit with the First National Bank of Ft. Pierre, South Dakota to the Verendrye Benevolent Association.

This action taken by the South Dakota Commission on Gaming meeting at Deadwood, South Dakota on the 16th of December 2020.

A handwritten signature in purple ink, reading "Karen Wagner", is positioned above a horizontal line. The signature is written in a cursive, flowing style.

Karen Wagner

Chairman