



SOUTH DAKOTA COMMISSION ON GAMING

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

NOTICE OF ADMINISTRATIVE HEARINGS, PUBLIC HEARING TO ADOPT RULES AND QUARTERLY BUSINESS MEETING

Notice is hereby given that the South Dakota Commission on Gaming will hold its quarterly business meeting, Public Hearing to adopt rules and administrative hearings on June 13, 2023, in the City Commission Chambers of Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota beginning at 9:00 AM MDT.

Join Zoom Meeting

<https://state-sd.zoom.us/j/98010681071?pwd=Z2tmamZPVjhXTUhaVS9KTEQ1RjZTQT09>

Meeting ID: 980 1068

1071 Passcode: 090929

One tap mobile

+12532158782,,98010681071#,,,,*090929# US (Tacoma)

+13462487799,,98010681071#,,,,*090929# US (Houston)

Dial

+1 669 900 9128 US (San Jose)

When prompted enter the Participation ID: 98010681071

When prompted enter the passcode: 090929

When prompted state your name followed by the #

All participants will be muted when joining the meeting.

Dial in participants *6 mute/unmute, * 9 to raise your hand

AGENDA

Call to Order

Conflicts of Interest Disclosure

Election of Chair and Vice Chair for Fiscal Year 2024

Adoption of Quarterly Business Meeting Agenda [Pages 1 - 3](#)

RULES TO BE ADOPTED, REPEALED, AND AMENDED

RACING RULES: Pages 4 – 11

- 1) Proposed amendment to ARSD 20:04:27:12 Penalty for use of illegal substances **Page 5**
- 2) Proposed new rule ARSD 20:04:27:13.13 Maximum threshold for Phenylbutazone (bute) **Page 6**
- 3) Proposed amendment to ARSD 20:04:27:14 Restrictions on use of authorized drugs **Pages 7 - 8**
- 4) Proposed repeal of ARSD 20:04:27:16. Penalty for violation of permitted drug restriction **Page 9**
- 5) Proposed amendment to ARSD 20:04:27:17 Penalties for violations **Pages 10 - 11**

ADMINISTRATIVE HEARINGS

- 1) In the matter of seized slot machines: **Pages 12 - 29**
 - One Pachislo Double Chance themed slot machine Serial # 01123657
 - One Pachislo Babel themed slot machine Serial# HPS0011-25953
- 2) SDCG Case# 23-05-023 **Pages 30 - 51**
 - South Dakota Commission on Gaming VS. Gary King, SDCG LIC # 12201-KY

QUARTERLY BUSINESS MEETING

Approval of the minutes of the March 14, 2023 Quarterly Meeting **Pages 52 – 58**

Approval of the minutes of the April 24, 2023 Special Meeting **Pages 58A – 58C**

Old Business

Remarks by Executive Secretary Susan Christian

Remarks by Representative of Gaming Laboratories International

Steven May, Client Solutions Executive

Approval of GLI contract for Device Testing and Consulting Services **Pages 59 - 63**

Live Racing Matters

- 1) Approval of Verendrye Benevolent Association Condition Book **Pages 64 - 70**
- 2) Approval of allocations for purse supplements and racing operations **Pages 71 - 79**

- 3) Approval of Jockey Bonus Pages 80 - 81
- 4) Approval of required Track bond and insurance Page 82
- 5) Approval of Verendrye Benevolent Association horse racing officials Pages 83 - 84
- 6) Approval of Commission horse racing officials Pages 85 - 86
- 7) Approval of horse racing contracts:
 - a) Cooper Animal Clinic Pages 87 - 92
 - b) Center for Tox Services Pages 93 - 98
 - c) Stanley County Sheriff Page 99

Deadwood Licensing Matters Pages 100 - 109

Date of Next Meeting

- September 12, 2023

Executive Session pursuant to SDCL 1-25-2 and 42-7B-8.1

Decision on Administrative Hearings

Public Comment

Adjournment

SUSAN CHRISTIAN, CIA
Executive Secretary

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

CHAPTER 20:04:27

MEDICATION AND DRUGS

Section

20:04:27:01	Authorization required for admission to veterinarian's facilities.
20:04:27:02	Tests of winner required.
20:04:27:03	Stewards or commission representative may require tests.
20:04:27:04	Transferred.
20:04:27:05	Person required to be present when specimen taken -- Penalty for failure to appear.
20:04:27:06	Repealed.
20:04:27:07	Persons who may take samples of medicines.
20:04:27:08	When action may be taken on chemist's report.
20:04:27:09	Possession of drugs, hypodermic needles, and illegal devices prohibited.
20:04:27:10	Notice of injections of horses by nonveterinarian required.
20:04:27:11	Interference with testing procedures forbidden.
20:04:27:12	Penalty for use of illegal substances.
20:04:27:13	Repealed.
20:04:27:13.01	Use of furosemide (lasix) permitted.
20:04:27:13.02	Endoscopic examination and eligibility for treatment.
20:04:27:13.03	Requirement for endoscopic examinations.
20:04:27:13.04	Repealed.
20:04:17:13.05	Repealed.
20:04:27:13.06	Repealed.
20:04:27:13.07	Requirements for administering furosemide (lasix).
20:04:27:13.08	Repealed.
20:04:27:13.09	Time frames for administration of furosemide (lasix).
20:04:27:13.10	Individuals responsible for horse after administration of furosemide (lasix).
20:04:27:13.11	Disciplinary action authorized for violations.
20:04:27:13.12	Repealed.
20:04:27:13.13	<u>Maximum threshold for Phenylbutazone (bute).</u>
20:04:27:14	Restrictions on use of authorized drugs.
20:04:27:15	Chemist's test to constitute prima facie evidence.
20:04:27:16	Penalty for violation of permitted drug restriction.
20:04:27:17	Penalties for violations.

20:04:27:12. Penalty for use of illegal substances—medication violations. If the analysis made by any chemist, who is approved by the commission, of a urine, saliva, or blood specimen taken under the supervision of the commission veterinarian from a horse entered in a race indicates the presence of a drug, chemical, medicine, analgesic, or injectable, which is not specifically authorized by these rules or is detected at a threshold in excess of the thresholds stated in Association of Racing Commissioners International Controlled Therapeutic Medication Schedule for Horses Version 4.2.1 dated December, 2020, and Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023, the following penalties may apply:

- (1) The purse may be redistributed;
- (2) A track record established by the horse in the race may be declared void;
- (3) The trainer of the horse may be fined up to five hundred dollars or suspended or the trainer's license may be revoked, or the trainer may be given any combination of these penalties;
- (4) A horse which has had a positive test for illegal substances drugs may be suspended from racing for a period equal to any suspension given to the horse's trainer or owner-trainer for the same incident; and
- (5) In a claiming race, if a claimed horse has a positive test, the stewards at their discretion may void the claim.

Each time a trainer or an owner-trainer has been fined or suspended in South Dakota or any other racing jurisdiction for violation of rules prohibiting the use of illegal substances or regulating the use of controlled therapeutic medications constitutes an offense.

Source: 5 SDR 87, effective April 15, 1979; 6 SDR 77, effective February 3, 1980; 7 SDR 70, effective January 27, 1981; 8 SDR 94, effective February 14, 1982; transferred from § 20:04:05:20, 9 SDR 122, effective March 31, 1983; 11 SDR 177, effective July 2, 1985; 12 SDR 108, effective January 8, 1986; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 17 SDR 113, effective February 5, 1991; 23 SDR 126, effective February 13, 1997; 33 SDR 63, effective October 18, 2006; 38 SDR 101, effective December 5, 2011; 43 SDR 150, effective June 1, 2017; 49 SDR 9, effective August 9, 2022.

General Authority: SDCL 42-7-56(4)(13).

Law Implemented: SDCL 42-7-56(4)(13), 42-7-67, 42-7-96

Reference Association of Racing Commissioners International Controlled Therapeutic Medication Schedule for Horses Version 4.2.1 dated December, 2020 and Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023. Copies may be obtained from the Association of Racing Commissioners International web site at www.arci.com free of charge.

20:04:27:13.13. Maximum threshold for Phenylbutazone (bute). The maximum authorized threshold for Phenylbutazone (bute) is 2.0 micrograms per milliliter of plasma or serum when administered in accordance with ARCI Controlled Therapeutic Medication Schedule Version 4.2.1 dated December 2020 and ARSD 20:04:27:14.

General Authority: SDCL 42-7-56(4).

Law Implemented: SDCL 42-7-56(4).

Reference: Association of Racing Commissioners International Controlled Therapeutic Medication Schedule for Horses Version 4.2.1 dated December 2020, and Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023. Copies may be obtained from the Association of Racing Commissioners International web site at www.arci.com free of charge.

20:04:27:14. Restrictions on use of authorized drugs. Therapeutic medications authorized by the Association of Racing Commissioners International Controlled Therapeutic Medication Schedule for Horses Version 4.2.1 dated December, 2020, and the Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023 may administered to horses in accordance with the following restrictions:

- (1) These substances in an injectable form may be administered only by a licensed veterinarian;
- (2) These substances in another form may be administered by the trainer if a veterinarian licensed by this state or another racing jurisdiction has prescribed or approved the use of the substances;
- (3) These substances, except furosemide and phenylbutazone, may not be administered to a horse on the day the horse is scheduled to run;
- (4) A veterinarian administering furosemide shall submit a written report to the commission veterinarian or the state steward on forms provided by the commission. The use of furosemide or phenylbutazone must be declared at the time of entry;
- (5) Failure to submit the reports or to make the declarations required by subdivision (4) may subject the veterinarian and the trainer of the horse involved to disciplinary actions by the stewards or the commission;
- (6) A horse noted on the veterinarian list as using an authorized substance which is suspected to be racing without that substance may be tested. If a urine or blood sample from the horse fails to disclose the presence of furosemide or phenylbutazone, the horse and its trainer may be subject to disciplinary actions by the stewards or the commission;
- (7) For a horse being shipped into a licensed track in this state, a report from a licensed veterinarian of another racing jurisdiction certifying that the horse has been treated with an authorized drug in accordance with the provisions of this section may be accepted by the stewards. The report must be filed with the presiding steward or the commission veterinarian before 10:00 a.m. on the day of the race; and
- (8) Notice of use of furosemide or phenylbutazone shall be given to the public.

Source: 4 SDR 85, effective June 15, 1978; 5 SDR 87, effective April 15, 1979; 6 SDR 77, effective February 3, 1980; transferred from § 20:04:05:37, 9 SDR 122, effective March 31, 1983; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 16 SDR 129, effective February 4, 1990; 17 SDR 113, effective February 5, 1991; 21 SDR 98, effective November 30, 1994; 37 SDR 70, effective October 20, 2010; 43 SDR 150, effective June 1, 2017.

General Authority: SDCL 42-7-56(4).

Law Implemented: SDCL 42-7-56(4).

Reference: Association of Racing Commissioners International Controlled Therapeutic Medication Schedule for Horses Version 4.2.1 dated December, 2020 and Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023. Copies may be obtained from the Association of Racing Commissioners International web site at www.arci.com free of charge.

~~**20:04:27:16. Penalty for violation of permitted drug restriction.** A trainer, owner, or veterinarian found guilty of violating any provision of § 20:04:27:14 shall be fined by the board of stewards not more than \$250 five hundred dollars or suspended for a period of not more than four horse racing days, or both. A horse which has been subject to actions violating § 20:04:27:14 may be suspended for a period of not more than four racing days by the board of stewards. The fine or suspension may be reviewed by the commission and increased, decreased, or otherwise modified.~~

~~— **Source:** 4 SDR 85, effective June 15, 1978; 5 SDR 87, effective April 15, 1979; 6 SDR 77, effective February 3, 1980; transferred from § 20:04:05:39, 9 SDR 122, effective March 31, 1983; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 16 SDR 129, effective February 4, 1990; 38 SDR 101, effective December 5, 2011.~~

~~— **General Authority:** SDCL 42-7-56(4).~~

~~— **Law Implemented:** SDCL 42-7-56(4), 42-7-67.~~

20:04:27:17. Penalties for violations. When imposing a penalty for a violation of any rules pertaining to medication or drugs in a horse, the stewards and the commission shall follow the penalty guidelines established in the Association of Racing Commissioners International Uniform Classification Guidelines Version 14.4 dated December, 2020, and the Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023, which is incorporated by reference.

A trainer who receives a penalty for a medication violation based on a horse testing positive for a drug Class 1 through 5 with a penalty Class A through C shall be assigned points as follows:

Penalty Class	Points if Controlled Therapeutic Substance	Points if Non-Controlled Substance
Class A	N/A	6
Class B	2	4
Class C	1/2 for first violation with an additional 1/2 point for each additional violation within 365 days	1 for first violation with an additional 1/2 point for each additional violation within 365 days
Class D	0	0

If the stewards or the commission determine that the violation is due to environmental contamination they may assign less points or no points against the trainer based on the specific facts of the case.

The stewards and the commission shall consider all points for violations in all racing jurisdictions as contained in the trainer's official record maintained by the Association of Racing Commissioners International.

In addition to the penalty imposed for the underlying offense the following enhancements shall be imposed upon a trainer based on the cumulative points contained in the trainer's record of violations maintained by the Association of Racing Commissioners International.

Points	Suspension in days
5 to 5.5	15 to 30
6 to 8.5	30 to 60
9 to 10.5	90 to 180
11 or more	180 to 360

The stewards and the commission shall consider aggravating and mitigating circumstances including the trainer's prior record of medication violations when determining the penalty for a violation of these rules.

Multi-medication violation points are intended to be a separate and additional penalty to be imposed upon a trainer who has a pattern of violations.

The stewards or commission ruling shall distinguish between the penalty for the underlying offense and any enhancement penalty based on a stewards or commission review of the trainer's cumulative record of violations.

Source: 43 SDR 150, effective June 1, 2017.

General Authority: SDCL 42-7-56(4).

Law Implemented: SDCL 42-7-56(4)(11), 42-7-93.

Reference: Association of Racing Commissioners International Uniform Classification Guidelines Version 14.4 dated December, 2020 and the Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommended Penalties Model Rule Version 16.0 dated April 2023. Copies may be obtained from the Association of Racing Commissioners International web site at www.arci.com free of charge.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

NOTICE OF HEARING

TO: Derek Nelson
2011 Helios Street
Rapid City, SD 57703

In the matter of one Pachislo Double Chance themed slot machine Serial # 01123657

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on the 13th, June 2023 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to determine if the Double Chance themed slot machine Serial # 01123657 which was seized from Derek Nelson at 2011 Helios Street in Rapid City, SD on March 17, 2023, is contraband and may be destroyed pursuant to SDCL 42-7B-39.

This hearing is held the authority of SDCL 42-7B-39 and 42-7B-39.2.

The particular statutes involved are SDCL 42-7B-39, 42-7B-39.2, 22-25-13, 22-25-14 and 22-25-14.1.

The matter to be asserted is that the slot machine described above is contraband and should be destroyed.

As a result of this hearing the Commission on Gaming can order the destruction of the slot machine which was seized on March 17, 2023.


This hearing is an adversary proceeding. Any person who claims an ownership interest in the machine described above has the right to be present, to be represented by a lawyer, to call witnesses to testify in their behalf and to question witnesses who testify against them. These and other due process rights will be forfeited if they are not exercised at the hearing.

SDCL 42-7B-39.2 provides that the slot machine which was seized may be destroyed after notice and without hearing if you fail to appear at the time and place scheduled in this hearing notice.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at, South Dakota, the 30th day of May 2023.


Susan Christian
Executive Secretary

CERTIFICATE OF SERVICE

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

Derek Nelson
2011 Helios Street
Rapid City, SD 57703

By certified mail, return receipt requested with postage prepaid thereon on the 30th day of May 2023.


Susan Christian



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

NOTICE OF HEARING

TO: Derek Nelson
2011 Helios Street
Rapid City, SD 57703

In the matter of one Pachislo Babel themed slot machine Serial # HPS0011-25953

Notice is hereby given that a hearing will be held before the South Dakota Commission on Gaming on the 13th, June 2023 at 9:00 AM in the City Commission Chambers in the Deadwood City Hall, 102 Sherman Street, Deadwood, South Dakota.

The purpose of this hearing is to determine if the Pachislo Babel themed Slot Machine Serial # HPS0011-25953 which was seized from Derek Nelson at 2011 Helios Street in Rapid City, SD on March 17, 2023, is contraband and may be destroyed pursuant to SDCL 42-7B-39.

This hearing is held the authority of SDCL 42-7B-39 and 42-7B-39.2.

The particular statutes involved are SDCL 42-7B-39, 42-7B-39.2, 22-25-13, 22-25-14 and 22-25-14.1.

The matter to be asserted is that the slot machine described above is contraband and should be destroyed.

As a result of this hearing the Commission on Gaming can order the destruction of the slot machine which was seized on March 17, 2023.

This hearing is an adversary proceeding. Any person who claims an ownership interest in the machine described above has the right to be present, to be represented by a lawyer, to call witnesses to testify in their behalf and to question witnesses who testify against them. These and other due process rights will be forfeited if they are not exercised at the hearing.

SDCL 42-7B-39.2 provides that the slot machine which was seized may be destroyed after notice and without hearing if you fail to appear at the time and place scheduled in this hearing notice.

If the amount in controversy exceeds two thousand five hundred dollars or if a property right may be terminated any party to the case may require the Commission to use the Office of Hearing Examiners by giving notice to the Commission no later than ten days after service of this Notice of Hearing.

The decision of the Commission on Gaming may be appealed to the Circuit Court and the State Supreme Court as provided by law.

Dated at, South Dakota, the 30th day of May 2023.

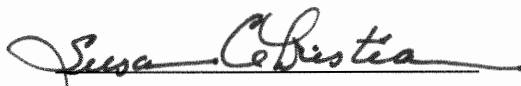

Susan Christian
Executive Secretary

CERTIFICATE OF SERVICE

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

Derek Nelson
2011 Helios Street
Rapid City, SD 57703

By certified mail, return receipt requested with postage prepaid thereon on the 30th day of May 2023.


Susan Christian



SOUTH DAKOTA COMMISSION ON GAMING

87 Sherman Street • Deadwood, SD 57732

(605) 578-3074 • dor.sd.gov/gaming

Slot Machine Seizure

INCIDENT: Possession of a Slot Machine

INCIDENT NUMBER: 23-03-013

DATE OF INCIDENT: 03/11/2013-03/17/2023

PLACE OF INCIDENT: 2011 Helios St
Rapid City, SD 57703

INVESTIGATING AGENT: Austin Wilson

SUSPECT(S): **Derek Nelson**
2011 Helios St
Rapid City, SD 57703
(DOB 07/31/1984)

OFFENSE(S): **22-25-13. Keeping slot machines--Free play machines excepted--Misdemeanor--Manufacture not prohibited.**

No person may have in his possession, custody, or under his control or permit to be kept in any place under his possession or control, any slot machine or device. A slot machine or device is any machine upon the action of which anything of value is staked and which is operated by placing therein or thereon any coins, checks, slugs, balls, chips, tokens, or other articles, or in any other manner as a result of such operation anything of value is won or lost by the operation of such machine, when the result of such operation is dependent upon chance. This section does not extend to coin-operated non payout pin

tables and arcade amusements, with free play features. A violation of this section is a Class 1 misdemeanor.

This section does not prohibit the manufacture, or any act appurtenant to the manufacture, of slot machines or devices in this state for distribution and sale.

NARRATIVE:

I Special Agent Austin Wilson, On Saturday March 11th, 2023 came across an advertisement for four slot machines on an online auction site www.dandcauctions.hibid.com while on duty at the Commission on Gaming office located at 87 Sherman St, Deadwood SD 57754. The auction advertised it had multiple slot machines available for bids. I visited the website and viewed two slot machines for auction. One being a "Babel" themed Pachislo slot machine that was red in color. The other slot machine was a "Double Chance" themed Pachislo slot machine that was green in color. The description for both machines stated they were in working condition and had tokens for use inside each one.

These machines according to manufacturers' information are less than 25 years old. Based on SDCL 22-25-13 which states in part, "Keeping slot machines--Free play machines excepted--Misdemeanor--Manufacture not prohibited. No person may have in his possession, custody, or under his control or permit to be kept in any place under his possession or control, any slot machine or device. A slot machine or device is any machine upon the action of which anything of value is staked and which is operated by placing therein or thereon any coins, checks, slugs, balls, chips, tokens, or other articles, or in any other manner as a result of such operation anything of value is won or lost by the operation of such machine when the result of such operation is dependent upon chance. A violation of this section is a Class 1 misdemeanor."

I learned the business was being run out of a house located at 2011 Helios St, Rapid City based on the filings of incorporation that were filed with the South Dakota Secretary of State. This company is registered to Derek Nelson and Courtney Nelson. The listings stated that the items must be picked up at the Helios Address in Rapid City.

On March 17th, 2023, I applied and was granted a search warrant to seize these slot machines by the Honorable Judge Janki Sharm of Pennington County. I called the Pennington County Sheriff's Office for assistance in executing the warrant.

At 2039 hours I arrived in an unmarked patrol vehicle in plain clothes with my agency-issued badge around my neck. I knocked on the front door and Derek Nelson answered. I identified myself as a Special Agent with the South Dakota Commission on Gaming. I spoke with Derek and informed him I have a court order to search and seize the slot machines he was attempting to sell. He was extremely reluctant at first and informed me they were not personally his, but they belong to a friend in Gregory South Dakota. I handed him a printout of the laws regarding owning and possessing slot machines.

I cataloged and took pictures of the slot machines and gave Derek a property receipt and informed him that the Commission on Gaming would not be pursuing criminal charges but a report would be turned into the State's Attorney's office. I thanked Derek for his time and left the residence.

END OF REPORT

ENCLOSURES:

Picture of "For Sale" Post
Pictures of Machine's
Signed Search Warrant
Verified Inventory



Austin Wilson
SPECIAL AGENT – INVESTIGATIONS / ENFORCEMENT
SD COMMISSION ON GAMING

STATE OF SOUTH DAKOTA)
 :
 LAWRENCE COUNTY)

SS

IN CIRCUIT COURT
7th JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA,)
 Plaintiff)

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AFFIDAVIT IN SUPPORT OF

Vs. :

REQUEST FOR

Derek Nelson 07/31/1984 Defendant)

*** SEARCH WARRANT**

(In the matter of Keeping slot machines--Free play machines excepted--Misdemeanor--
Manufacture not prohibited. SDCL 22-25-13 in PENNINGTON County) *

*

The undersigned, being duly sworn upon oath, respectfully requests a Search Warrant to be issued for the following property: A red in color "Babel" themed Pachislo slot machine that consists of 3 reels with 5 pay lines and has a metal base for coins or tokens to be dispensed when won. The machine has 3 red buttons on the front and a large wheel-type feature on the top of the machine. A green and pink in color "DOUBLE CHANCE" Pachislo slot machine that has 3 reels and 5 pay lines with a large metal base that holds coins or tokens when dispensed after winning. The machine has 3 green buttons on the front.

The undersigned respectfully requests that the Search Warrant be issued to permit a search at the following premises for the above-described property: 2011 Helios ST Rapid City, SD 57703. Eastern Acres Subd, BLOCK 10, Lot 6R Rapid City, SD. BLOCK 10 Lot 6R is the 3rd house west of Helios St.. on the West Side of Twilight Dr. This residence is also registered as D&C Auctions LLC.

The undersigned requests a Search Warrant to be issued because the above-described property is:

(PLACE INITIALS IN THE APPROPRIATE BLANK)

AW Property that constitutes evidence of the commission of a criminal offense;

AW Contraband, the fruits of a crime, or things otherwise criminally possessed;

AW Property designed or intended for use in, or which is or has been used as the means of, committing a criminal offense.

The undersigned further requests:

(PLACE INITIALS IN THE APPROPRIATE BLANK)

AW Execution of Search Warrant at night pursuant to 23A-35-4;

_____ That no notice be given prior to the execution of the Search Warrant pursuant to SDCL 23A-35-9;

AW Authorization to serve the Search Warrant on Sunday;

AW Execution of the Search Warrant during the daytime.

The facts in support of the issuance of a Search Warrant are as follows:

I Special Agent Austin Wilson, On Saturday March 11th, 2023, I came across an advertisement for four slot machines on an online auction site www.dandcauctions.hibid.com while on duty at the Commission on Gaming office located at 87 Sherman St, Deadwood SD 57754. The auction advertised it had multiple slot machines available for bids. I visited the website and viewed two slot machines for auction. One being a "Babel" themed Pachislo slot machine that was red in color and looked to be in a working fashion. The other slot machine was a "Double Chance" themed Pachislo slot machine that was green in color and in the pictures displayed appeared to be turned on and in working order. The description for both machines stated they were in working condition and had tokens for use inside each one. These machines according to manufacturers' information are less than 25 years old. Based on SDCL 22-25-13 which states in part, "Keeping slot machines--Free play machines excepted--Misdemeanor--Manufacture not prohibited. No person may have in his possession, custody, or under his control or permit to be kept in any place under his possession or control, any slot machine or device. A slot machine or device is any machine upon the action of which anything of value is staked and which is operated by placing therein or thereon any coins, checks, slugs, balls, chips, tokens, or other articles, or in any other manner as a result of such operation anything of value is won or lost by the operation of such machine when the result of such operation is dependent upon chance. A violation of this section is a Class 1 misdemeanor." I learned the business was being ran out of a house located at 2011 Helios St, Rapid City based on the fillings of incorporation that where filed with the South Dakota Secretary of State. This company is registered to Derek Nelson and Courtney Nelson. The listings stated that the items must be picked up at the Helios Address in Rapid City.

Your affiant is an Enforcement Agent with the South Dakota Commission on Gaming, I have been an Enforcement Agent since October 25th, 2021, and have also been extensively trained in the systems and technology of various slot machines and slot machine software. Prior to this, I was a Licensed Private Investigator in Washington State for 3 years. I completed my Law Enforcement Certification course in June of 2022. I have attended Criminal Investigative Interviewing Techniques and a Criminal Advanced Workshop on Interviewing Techniques at the Law Enforcement Training Center in Pierre South Dakota.

The affiant wishes to draw the court's attention to the following inferences from the above-mentioned facts:

1. Based on my training and experience these slot machines are used to conduct unauthorized gaming.
2. Based on my training and experience these machines can accept coins and tokens and pay out only when winning combinations are present on the reels.
3. Based on my training and experience these machines are extremely easy to manipulate into the reels not displaying winning combinations.
4. Based on my training and experience slot machines are by law only allowed in a license gaming facility in the City of Deadwood or a licensed Video Lottery establishment. This address is located in Pennington County and not in the City of Deadwood and according to the South Dakota Video Lottery this business is not licensed with them.

Based upon Affiant's knowledge, training, and experience, and experience of other law enforcement personnel, Affiant knows that these machines are frequently used in the commission of unlicensed gaming in the State of South Dakota.



Signature of Affiant
Austin Wilson Special Agent
South Dakota Commission on Gaming

Subscribed to and before me, in my presence this 17th day of March, 2023

has 3 red buttons on the front and a large wheel-type feature on the top of the machine. A green and pink in color "DOUBLE CHANCE" Pachislo slot machine that has 3 reels and 5 pay lines with a large metal base that holds coins or tokens when dispensed after winning. The machine has 3 green buttons on the front.

IT IS THEREFORE ORDERED that this Search Warrant shall be executed within ten (10) days after the signing of this Warrant pursuant to SDCL 23A-35-4.

This warrant may be executed in accordance with my initials placed below :

YOU MUST INITIAL AT LEAST ON BLANK

X

You may serve this warrant at any time of day or night because reasonable cause has been shown to authorize a nighttime execution pursuant to SDCL 23A-35-4.

You may serve this warrant only during the daytime. Night is that period from 8:00 p.m. to 8:00 a.m. local time.

You may execute this Warrant without notice of execution required by SDCL 23A-35-8 in that probable cause exists to demonstrate to me that if notice were given prior to execution (that the property sought may be easily and quickly destroyed or disposed of), (that danger to life or limb of the officer or another may result).

X

You may serve this Warrant on Sunday.

If the above described property be seized, it should be returned to me at the Courthouse of this Court.

Dated this _____ day of _____, 20____, at _____ South Dakota.

[Large handwritten signature/initials]

[Handwritten signature]

(Magistrate)

(Circuit Court Judge)

Pennington County, SD
FILED
IN CIRCUIT COURT

MAR 20 2023

Page 22 of 109

Ranae Truman, Clerk of Courts

By LB Deputy

[Handwritten initials]

[Handwritten symbol]

[Handwritten date]

STATE OF SOUTH DAKOTA
LAWRENCE COUNTY

)
) ss
)

IN CIRCUIT COURT
7TH JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA,
PLAINTIFF,

)
)
)
)

SEARCH WARRANT

VS

DEREK DUAINNE NELSON

)

DEFENDANT,

TO ANY LAW ENFORCEMENT OFFICER IN THE COUNTY OF LAWRENCE

Proof by Affidavit (s) has been made before me by Austin Wilson that there is probable cause to believe that the property described herein may be found at the location set fourth herein and the property is :

(PLACE INITIALS IN THE APPROPRIATE BLANKS)

~~X~~
~~X~~
~~X~~

Property that constitutes evidence of the commission of criminal offense :

Contraband, the fruits of crime, or things otherwise criminally possessed :

Property designed or intended for use in, or which is or has been used as the means of, committing a criminal offense.

YOU ARE THEREFORE commanded to search (describe the premises or area with legal description and particularity) :

Eastern Acres Subd, BLOCK 10, Lot 6R Rapid City, SD. BLOCK 10 Lot 6R is the 3rd house west of Helios St.. on the West Side of Twilight Dr. This residence is also registered as D&C Auctions LLC. 2011 Helios St Rapid city

For the following property (describe with particularity) :

A red in color "Babel" themed Pachislo slot machine that consists of 3 reels with 5 pay lines and has a metal base for coins or tokens to be dispensed when won. The machine

[Handwritten Signature]

Law Enforcement Officer

Subscribed to and sworn to before me, a Notary Public, on this 18th day of March, 2023

Sarah DeGoey
(Notary Public)

3/25/22



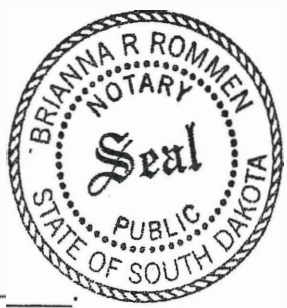
Pennington County, SD
FILED
IN CIRCUIT COURT

MAR 20 2023

Ranae Truman, Clerk of Courts

By RB Deputy

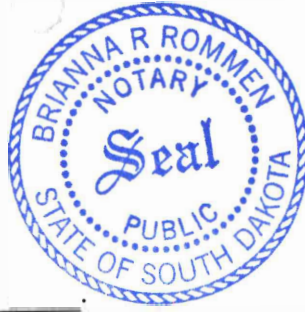
BRR
(Magistrate)(Circuit Court Judge)
(Notary)



Notary: My commission expires 09/17/2024

*March 7
2023
6:38 PM*

BRR
(Magistrate)(Circuit Court Judge)
(Notary)



Notary: My commission expires 09/17/2024.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

SDCL 42-7B-39 Shipping records required to be maintained--Report by recipient--Transport out of state--Violation as felony.

Any slot machine manufacturer or distributor shipping a slot machine into the State of South Dakota shall maintain for a period of at least five years from the time of shipment, the following records: a copy of the shipping invoice including at least the destination and the serial number of each machine and a description of each machine. Any person within the State of South Dakota receiving a slot machine shall maintain for a period of at least five years from the time of receipt the following records: information showing at least the location of each machine, its serial number, and description. This report shall be completed and maintained regardless of whether the machine is received from a manufacturer or any other person. Any machine licensed pursuant to this chapter shall be licensed for a specific location and movement of the machine from that location shall be reported to the commission within twenty-four hours. If the machine is to be transported out of the State of South Dakota, the movement of the machine shall be recorded and maintained by the licensee for not less than five years from the time of movement. Possession of an unapproved device is a Class 6 felony. Any slot machine not in compliance with this chapter is declared contraband and may be summarily seized and destroyed after notice and hearing.

Source: SL 1989, ch 374, § 34; SL 1993, ch 321, § 9; SL 1997, ch 245, § 1.

SDCL 42-7B-39.2 Destruction of seized slot machine.

Any slot machine seized pursuant to the provisions of § 42-7B-39 may be destroyed after notice and without hearing if the person from whom the slot machine was seized fails to appear at the time and place scheduled in the hearing notice.

Source: SL 2015, ch 220, § 2.

SDCL 22-25-13 Keeping slot machines--Free play machines excepted--Misdemeanor--Manufacture not prohibited.

No person may have in his possession, custody, or under his control or permit to be kept in any place under his possession or control, any slot machine or device. A slot machine or device is any machine upon the action of which anything of value is staked and which is operated by placing therein or thereon any coins, checks, slugs, balls, chips, tokens, or other articles, or in any other manner as a result of such operation anything of value is won or lost by the operation of such machine, when the result of such operation is dependent upon chance. This section does not extend to coin-operated nonpayout pin tables and arcade amusements, with free play features. A violation of this section is a Class 1 misdemeanor.

This section does not prohibit the manufacture, or any act appurtenant to the manufacture, of slot machines or devices in this state for distribution and sale.

Source: SDC 1939, §§ 24.0204, 24.9909; SL 1974, ch 166; SL 1976, ch 158, § 25-4; SL 1989, ch 197, § 1.

SDCL 22-25-14 Slot machine and premises public nuisance--Manufacture not prohibited.

All slot machines capable of being used for gambling and places where they are kept or operated together with all property of any kind kept or used in connection with operation of the same, are hereby declared to be public nuisances.

This section does not prohibit the manufacture, or any act appurtenant to the manufacture, of slot machines, or devices in this state for distribution and sale.

Source: SDC 1939, § 24.0205; SL 1989, ch 197, § 2.

SDCL 22-25-14.1 Antique slot machine operated for nongambling purposes as defense--Preservation and return of antique machines.

It is a defense to any prosecution under §§ [22-25-13](#) and [22-25-14](#) if the defendant shows that the slot machine is an antique slot machine and was not operated for gambling purposes while in the defendant's possession. For the purposes of this section, a slot machine shall be conclusively presumed an antique slot machine if it is twenty-five or more years old. Whenever such defense is offered, no slot machine seized from any defendant may be destroyed or otherwise altered until after a final court determination including review upon appeal, if any, that such defense is not applicable. If the defense is applicable, any such slot machine shall be returned pursuant to provisions of law providing for the return of property. It is the purpose of this section to protect the collection and restoration of antique slot machines not presently utilized for gambling purposes because of their esthetic interest and importance in South Dakota history.

Source: SL 1977, ch 191; SL 1994, ch 168.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

May 8, 2023

Gary King
8504 S. Quiet Oak Circle
Sioux Falls, SD 57104

RE: SOUTH DAKOTA COMMISSION ON GAMING VS. GARY KING, LLC
SDCG LIC # 12201-KY

Enclosed you will find an Initial Complaint that has been filed with the South Dakota Commission on Gaming stating that Gary King, had his South Dakota Resident Insurance Producer License revoked and the Business Entity License of Cypress Risk Management LLC was revoked on March 8, 2023, by the South Dakota Division of Insurance in which a hearing examiner's proposed findings of fact, conclusion of law found Gary King through Cypress Risk Management used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in the state or elsewhere, in violation of SDCL 58-30-167(8).

The above listed activities are grounds for disciplinary action per ARSD 20:18:09:01, 20:08:09:02 and 20:18:09:03.

Pursuant to ARSD 20:18:10:01, you have 20 days to file a written answer with this office after the service of the complaint. For purposes of computing the 20 days you should use the date of this correspondence. Your answer may admit, deny, qualify or explain the allegations contained in the complaint.

Upon receipt of the answer, we will prepare a Notice of Hearing scheduling the matter for proceeding in front of the Commission and mail a copy to you.

If you have additional questions feel free to contact me at my office (605) 951-9173.

Best regards.

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

South Dakota)	
Commission on Gaming)	
)	
Plaintiff,)	
	)	Initial Complaint Filed
	)	Pursuant to
)	
Vs.)	
	)	ARSD 20:18:10:01
)	
Gary King)	
SDCG Lic. # 12201-KY	)	SDCG Case # 23-05-023
)	
Defendant.)	

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

The South Dakota Division of Insurance held a hearing on March 8, 2023, in which a hearing examiner's proposed findings of fact, conclusion of law found Gary King through Cypress Risk Management used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in the state or elsewhere, in violation of SDCL 58-30-167(8).

Gary King had his South Dakota Resident Insurance Producer License revoked and the Business Entity License of Cypress Risk Management LLC was revoked by the SD Division of Insurance.

Gary King a member of multiple LLC's that are licensed with the South Dakota Commission on gaming to own and operate a gaming property located at the Midnight Star in Deadwood, SD personally holds a key gaming license as well.

The above listed activities would violate ARSD 20:18:09:01., 20:08:09:02. and 20:18:09:03.

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;

Source: 16 SDR 57, effective October 1, 1989; 16 SDR 233, effective July 1, 1990; 19 SDR 21, effective August 20, 1992; 19 SDR 177, effective May 27, 1993; 21 SDR 98, effective November 30, 1994; 22 SDR 95, effective January 18, 1996; 25 SDR 95, effective January 20, 1999.

General Authority: SDCL [42-7B-7](#), [42-7B-11\(13\)](#).

Law Implemented: SDCL [42-7B-3](#), [42-7B-7](#), [42-7B-11](#), [42-7B-15](#), [42-7B-17](#), [42-7B-18](#), [42-7B-32](#), [42-7B-40](#).

Cross-References: State Historical Society Rules, ch 24:52; Premise monitoring required, § 20:18:12.01:16.

Note: A copy of the historic preservation plans, standards, and procedures of the city of Deadwood may be obtained from the Planning and Preservation Office, City of Deadwood, Deadwood, SD 57732.

20:18:09:02. Proscribed conduct. Any act, whether of the same or of a different character than specified in this article, that constitutes dishonesty or fraudulent conduct, whether arising within or without the pursuit of the license privilege, committed by a licensee is grounds for disciplinary action.

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-24](#), [42-7B-25](#), [42-7B-32](#), [42-7B-33](#), [42-7B-34](#).

20:18:09:03. Revocation or suspension of other license. A revocation or suspension of a license, regardless of type of license, held by a person employed under this article and SDCL [42-7B](#), regardless of the jurisdiction or venue of the license, is grounds for disciplinary action.

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-24](#), [42-7B-25](#), [42-7B-32](#), [42-7B-33](#), [42-7B-34](#).

Name of complainant: Mark Heltzel
Address - 87 Sherman St
Deadwood, SD 57732
(605) 578-3074


Mark Heltzel
Deputy Executive Secretary
South Dakota Commission on Gaming

The following witnesses could give testimony about the complaint:

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

NOTICE TO:

Gary King
8504 S Quiet Oak Circle
Sioux Falls, SD 57108

(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:

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

Dated the 8th day of May 2023



Susan Christian
Executive Secretary
South Dakota Commission on Gaming
87 Sherman Street
Deadwood, SD 57732
(605) 578-3074

**SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION
DIVISION OF INSURANCE**

IN THE MATTER OF)	
GARY AARON KING AND CYPRESS	)	FINAL DECISION
RISK MANAGEMENT LLC	)	INS 23-004

After reviewing the record and the proposed order of the Hearing Examiner in this matter,

IT IS HEREBY ORDERED that pursuant to SDCL 1-26D-4, the Hearing Examiner's Proposed Findings of Fact, Conclusions of Law and Proposed Order, dated March 8, 2023, is adopted in full.

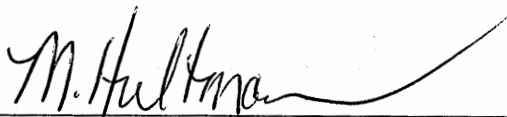
IT IS FURTHER ORDERED that the South Dakota Resident Insurance Producer License of Gary Aaron King will hereby be revoked.

IT IS FURTHER ORDERED that the South Dakota Business Entity License of Cypress Risk Management LLC will hereby be revoked.

IT IS FURTHER ORDERED that the temporary cease and desist order issued by the South Dakota Division of Insurance ("Division") on February 16, 2023 shall be made permanent and remain in effect until further order from the Division.

Parties are hereby advised of the right to further appeal the final decision to Circuit Court within (30) days of receiving such decision, pursuant to the authority of SDCL 1-26.

Dated this 10th day of March 2023.



Marcia Hultman, Secretary
South Dakota Department of Labor and Regulation
123 W. Missouri Ave.
Pierre, SD 57501

STATE OF SOUTH DAKOTA
DEPARTMENT OF LABOR AND REGULATION

IN THE MATTER OF
GARY AARON KING AND CYPRESS
RISK MANAGEMENT LLC

INS 23-004

NOTICE OF ENTRY OF PROPOSED
FINDINGS OF FACT, CONCLUSION OF LAW,
AND DECISION AND FINAL DECISION

NOTICE IS HEREBY GIVEN, that attached hereto, is a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision entered by Marcia Hultman, Secretary of the South Dakota Department of Labor and Regulation, on March 10, 2023.

Dated this 13th day of March, 2023.



Lisa M. Harmon
Legal Counsel
South Dakota Division of Insurance
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501
(605) 773-3563

CERTIFICATE OF SERVICE

I, Lisa M. Harmon, the undersigned, do hereby certify that on the date shown below, a true and correct copy of the Proposed Findings of Fact, Conclusions of Law, and Decision, and Final Decision with respect to the above-entitled action was sent U.S. Certified Mail thereon, to the following:

Gary Aaron King
8504 S. Quiet Oak Cir.
Sioux Falls, SD 57108-4137
gary.king@cypressriskmanagement.com

Gary Aaron King
11962 Big Piney RD
Sturgis, SD 57785

Cypress Risk Management LLC
Attn: Gary King
1601 E. 69th St STE 209
Sioux Falls, SD 57108-8322

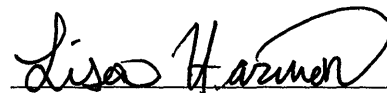
Cypress Risk Management LLC
6225 S. Pinnacle Place Suite 202
Sioux Falls, SD 57108

Ameritas Life Corp.
PO Box 81889
Lincoln, NE 68501

Pan American Life Ins. Co.
601 Poydras St.
New Orleans, LA 70130

Philadelphia Indemnity Ins. Co.
One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004

Dated this 13th day of March, 2023 in Pierre, South Dakota.



Lisa M. Harmon
Legal Counsel
South Dakota Division of Insurance
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501
(605) 773-3563

**STATE OF SOUTH DAKOTA
OFFICE OF HEARING EXAMINERS**

**IN THE MATTER OF
GARY AARON KING AND CYPRESS
RISK MANAGEMENT LLC**

**INS 23-004
PROPOSED DECISION**

This matter came for hearing before the Office of Hearing Examiners on March 8, 2023, pursuant to a Notice of Hearing issued by the South Dakota Division of Insurance (“Division”) on February 16, 2023. Frank A. Marnell and Lisa M. Harmon appeared as counsel for the Division. Gary Aaron King did not appear, either in person or through counsel. Cypress Risk Management LLC (“Cypress Risk”) did not appear. The Division motioned that the hearing and exhibits be held confidential by law, citing SDCL 1-27-1.5, 58-3-22, 58-4-44, 58-4-45, 58-4-49, and 58-30-187. The Division’s motion included a request to segregate witnesses to control testimony and preserve confidentiality of the hearing record. The Division’s Motion for Confidentiality was granted. The Division called witnesses Monique Palmieri-Wilson and Joshua Miller, former employees of Cypress Risk, and Amy Ondell, the Division’s investigator on the case. The Division admitted its Exhibits 1 through 8D into evidence through Ms. Ondell and moved that the Hearing Examiner enter these Proposed Findings of Fact, Conclusions of Law, and Proposed Decision as a default disposition to this contested case. That motion was granted, and now the Hearing Examiner enters the following Proposed Decision:

ISSUES

- I. Whether the Resident Insurance Producer License of Gary Aaron King and the Business Entity License of Cypress Risk should be revoked for violating the insurance law of South Dakota by Cypress Risk failing to notify the Director of changes regarding the action or inactions of Gary Aaron King; failing to remit premium; using fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and failing to timely respond to the Division in violation of SDCL 58-3-7, 58-30-33, 58-30-88, 58-30-89, 58-30-167(2), (4), (7), & (8), 58-33-2, 58-33-3, 58-33-35, 58-33-66(1), and 58-33-68.

- II. Whether the Division’s Temporary Order to Cease and Desist, sent on February 16, 2023, should be made permanent due to Gary Aaron King and Cypress Risk violating the insurance law of South Dakota by Cypress Risk failing to notify the Director of changes regarding the action or inactions of Gary Aaron King; failing to remit premium; using fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere; and failing to timely respond to the Division in violation of SDCL 58-3-7, 58-30-33, 58-30-88, 58-30-89, 58-30-167(2), (4), (7), & (8), 58-33-2, 58-33-3, 58-33-35, 58-33-66(1), and 58-33-68.

FINDINGS OF FACT

1. Gary Aaron King was originally licensed by the Division as a nonresident insurance producer on February 22, 2012. His license converted to a resident insurance producer license on November 27, 2013. The license is currently active. (Exhibit 1).
2. Cypress Risk was licensed by the Division as a business entity on March 5, 2012. The license is currently active. (Exhibit 1).
3. Gary Aaron King is the chief executive officer of Cypress Risk. (Exhibit 1).
4. Gary Aaron King is the designated responsible producer of Cypress Risk. (Exhibit 1 and 1A).
5. Gary Aaron King conducted his insurance business through and under Cypress Risk. (Exhibit 1A).
6. Gary Aaron King and Cypress Risk collected premiums from collegiate institutions to provide student athlete coverage. (Exhibits 3A, 6A through 7, and 8D).
7. Ms. Palmeri-Wilson and Mr. Miller were employed by Gary Aaron King and Cypress Risk but did not handle the remission of premiums to insurance companies or managing general agents as part of their duties. (Exhibit 1A).
8. Gary Aaron King failed to timely remit premium of approximately \$1.5 million to the appropriate entities. (Exhibits 2, 3, 4, 6A through 6D, and 7).
9. At least \$1,453,660.87 in premiums remain outstanding to insurance carriers and managing general agents to date. (Exhibits 6A through 6D).
10. The Division received communications from Ms. Palmieri-Wilson providing information that premiums were not remitted by Cypress Risk or Gary Aaron King. (Exhibits 2, 3, and 4).
11. The Division reached out to the affected insurance companies and managing general agents for information to corroborate or dispute the allegations. (Exhibits 6A through 6D).
12. The insurance companies and managing general agents confirmed the missing premiums. (Exhibits 6A through 6D).
13. The Division sent an inquiry to Gary Aaron King on January 19, 2023 at the address of record regarding these serious allegations. (Exhibit 5).
14. Gary Aaron King did not respond to the Division's inquiry. (Exhibit 5).
15. Gary Aaron King and Cypress Risk are the subjects of a South Dakota lawsuit alleging failure to remit premiums. (Exhibit 7).

16. Due to the failure to remit premium, policyholders received notices of cancellations. (Exhibits 8A through 8C).
17. Cancellations result in loss of coverage, harming consumers.
18. Cypress Risk failed to notify the Director of the changes regarding the actions or inactions of Gary Aaron King and the pending South Dakota lawsuit.
19. Any additional Findings of Fact included in the Reasoning section of this decision are incorporated herein by reference.
20. To the extent any of the foregoing are improperly designated and are instead conclusions of law, they are hereby redesignated and incorporated herein as conclusions of law.

REASONING

I. REVOCATION OF LICENSES

This case involves a request by the Division to revoke the South Dakota Resident Insurance Producer's License of Gary Aaron King and the Business Entity License of Cypress Risk. As a consequence of the potential loss of Gary Aaron King and Cypress Risk's livelihoods from the lack of licensure, the burden of proof in this matter is higher than the preponderance of evidence standard, which applies in a typical administrative hearing. "In matters concerning the revocation of a professional license, we determine that the appropriate standard of proof to be utilized by an agency is clear and convincing evidence." *In re Zar*, 434 N.W.2d 598, 602 (S.D. 1989). Our Supreme Court has defined "clear and convincing evidence" as follows:

The measure of proof required by this designation falls somewhere between the rule in ordinary civil cases and the requirement of our criminal procedure, that is, it must be more than a mere preponderance but not beyond a reasonable doubt. It is that measure or degree of proof which will produce in the mind of the trier of facts a firm belief or conviction as to the allegations sought to be established. The evidence need not be voluminous or undisputed to accomplish this.

Brown v. Warner, 78 S.D. 647, 653, 107 NW2d 1, 4 (1961).

SDCL 58-3-7 states "Every person being examined, its officers, employees, insurance producers, and representatives shall produce and make freely available to the director or the director's examiners the accounts, records, documents, files, assets, and other relevant information in their possession or control relating to the subject of the examination, and shall otherwise facilitate and aid the examination as far as reasonably possible."

SDCL 58-30-33 requires a licensed business entity to promptly notify the Director of all changes. This would include substantial failures to remit premium.

SDCL 58-30-74.4 states that a business entity "shall designate an individual licensed insurance producer responsible for the business entity's compliance with the insurance laws of this state." Gary Aaron King is the designated responsible producer and owner of Cypress Risk and is responsible for the legal compliance of Cypress Risk.

SDCL 58-30-88 states "All premiums or return premiums received by an insurance producer shall be trust funds received by the licensee in a fiduciary capacity, and the insurance producer or soliciting insurance producer shall account for and pay the same to the insured, insurer, or insurance producer entitled thereto." SDCL 58-30-89 states "Any agent or soliciting agent who, not being lawfully entitled thereto, diverts or appropriates trust funds referred to in § 58-30-88 or any portion thereof to his own use shall upon conviction be guilty of theft and shall be punished as provided by law." The Division showed that premiums were accepted by Cypress Risk and Gary Aaron King which were not remitted to managing general agents and insurance companies.

In addition, the Division considers SDCL 58-30-167 (shown in pertinent part) as follows:

The director may... revoke or refuse to continue, any license issued under this chapter... after a hearing... The director may... revoke... an insurance producer's license... for any one or more of the following causes:

- (2) Violating any insurance laws or rules, subpoena, or order of the director or of another state's insurance director, commissioner, or superintendent;
- (4) Withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business;
- (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

SDCL 58-33-2 says "No person shall engage in this state in any trade practice which is defined in this chapter as, or determined pursuant to this chapter to be, an unfair method of competition or an unfair or deceptive act or practice in the business of insurance..." Failing to remit premiums, failing to be forthright with business partners, failing to be forthright with employees, and failing to respond to the regulator would fall under this statute.

SDCL 58-33-3 defines unfair methods of competition and unfair and deceptive acts or practices in the business of insurance as the commission of any one or more of the acts prohibited by SDCL 58-33-4 to 58-33-37. SDCL 58-33-35 states "No person shall willfully collect any sum as premium or charge for insurance, which insurance is not then provided or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as authorized by this title..."

SDCL 58-33-66 says, in pertinent part:

Unfair or deceptive acts or practices in the business of insurance include the following:

- (1) Failing to respond to an inquiry from or failing to supply documents requested by the Division of Insurance within twenty days of receipt of such inquiry or request;"

The evidence indicates that Gary Aaron King and Cypress Risk violated the insurance law of South Dakota. Cypress Risk failed to timely notify the Director of changes regarding the actions or inactions of Gary Aaron King regarding the failure to remit policyholder premiums and the pending South Dakota lawsuit. Gary Aaron King and Cypress Risk, for which Gary Aaron King is legally responsible, failed to remit premiums to insurers. Gary Aaron King and Cypress Risk used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere. Gary Aaron King failed to timely respond to the Division. Applying the law to the Findings of Fact, it is clear the Resident Insurance Producer License of Gary Aaron King and the Business Entity License of Cypress Risk are subject to revocation and should be revoked.

II. PERMANENT ORDER TO CEASE AND DESIST

This case involves a request by the Division to enter a permanent Cease and Desist Order against Gary Aaron King and Cypress Risk. The Division's request to enter a permanent Cease and Desist Order has the immediate effect of Gary Aaron King and Cypress Risk losing their livelihoods. As a consequence of the potential loss of Gary Aaron King and Cypress Risk's livelihoods from the lack of licensure, the burden of proof on this issue is the same for revoking a license. *In re Zar*, 434 N.W.2d 598, 602 (S.D. 1989). The Division must show by clear and convincing evidence that the statutory violations exist. *Brown v. Warner*, 78 S.D. 647, 653, 107 NW2d 1, 4 (1961).

The evidence in this case indicates the Division was appropriate in issuing a Temporary Order to Cease and Desist. Applying the law to the Findings of Fact, the Division has shown by clear and convincing evidence that Gary Aaron King and Cypress Risk have violated the insurance laws of South Dakota and that a permanent order enjoining Gary Aaron King and Cypress Risk from conducting business in South Dakota is justified for the protection of policyholders and the public.

CONCLUSIONS OF LAW

1. The Division has jurisdiction over Gary Aaron King and Cypress Risk and the subject matter of this contested case. The Office of Hearing Examiners is authorized to conduct the hearing and issue a proposed decision pursuant to SDCL 1-26D-4.
2. The Division bears the burden of establishing the alleged statutory violations by clear and convincing evidence.
3. The Division established by clear and convincing evidence that Gary Aaron King and Cypress Risk violated SDCL 58-30-88, 58-30-89, 58-30-167(4), 58-33-2, 58-33-3, and 58-33-35 due to the failure to remit premium to insurance companies.
4. The Division established by clear and convincing evidence that Gary Aaron King violated SDCL 58-3-7, 58-30-167(7) & (8), and 58-33-66(1) due to failing to respond to the Division.
5. The Division established by clear and convincing evidence that Cypress Risk violated SDCL 58-30-33 due to its failure to notify the Director of changes.

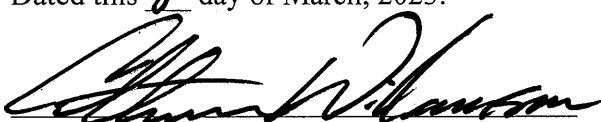
6. The Division established by clear and convincing evidence that the South Dakota Resident Insurance Producer License Gary Aaron King is subject to revocation pursuant to SDCL 58-30-167(2), (4), (7), & (8).
7. The Division established by clear and convincing evidence that the South Dakota Business Entity License Cypress Risk is subject to revocation pursuant to SDCL 58-30-167(2), (4), (7), & (8).
8. The Division established by clear and convincing evidence that the Temporary Cease and Desist Order should be made permanent against Gary Aaron King and Cypress Risk.
9. Any additional Conclusions of Law included in the Reasoning section of this decision are incorporated herein by reference.
10. To the extent any of the foregoing are improperly designated and are instead findings of fact, they are hereby redesignated and incorporated herein as Findings of Fact.

Based on the above Findings of Fact, Reasoning, and Conclusions of Law, the Hearing Examiner enters the following:

PROPOSED DECISION

1. The South Dakota Resident Insurance Producer License of Gary Aaron King should be revoked.
2. The South Dakota Business Entity License of Cypress Risk Management LLC should be revoked.
3. The South Dakota Division of Insurance's Temporary Order to Cease and Desist should be made permanent and Gary Aaron King and Cypress Risk Management LLC should be permanently enjoined from transacting insurance business in South Dakota.

Dated this 8th day of March, 2023.

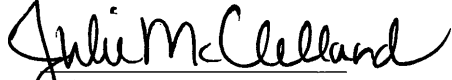


Hearing Examiner
Office of Hearing Examiners
523 East Capitol
Pierre, SD 57501

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CERTIFICATE OF SERVICE

I certify on March 9, 2023, at Pierre, South Dakota, a true and correct copy of this Proposed Decision was mailed to each of the parties below.



Julie McClelland
Office of Hearing Examiners

Gary Aaron King
8504 S. Quiet Oak Cir.
Sioux Falls, SD 57108-4137
gary.king@cypressriskmanagement.com

Gary Aaron King
11962 Big Piney RD
Sturgis, SD 57785

Cypress Risk Management LLC
Attn: Gary King
1601 E. 69th St STE 209
Sioux Falls, SD 57108-8322

Cypress Risk Management LLC
6225 S. Pinnacle Place Suite 202
Sioux Falls, SD 57108

Ameritas Life Corp.
PO Box 81889
Lincoln, NE 68501

Pan American Life Ins. Co.
601 Poydras St.
New Orleans, LA 70130

Philadelphia Indemnity Ins. Co.
One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004

South Dakota Division of Insurance
c/o Frank A. Marnell
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF)	
	)	TEMPORARY ORDER TO CEASE
	)	AND DESIST AND NOTICE
	)	FOR HEARING TO REVOKE LICENSES
)	
GARY AARON KING AND CYPRESS RISK MANAGEMENT LLC	)	INS. 23-004
)	

GARY AARON KING, whose address of record is 8504 S. Quiet Oak Cir., Sioux Falls, SD 57108-4137, is an individual who is currently licensed as a resident insurance producer in the State of South Dakota;

CYPRESS RISK MANAGEMENT LLC (CYPRESS RISK), with an address of record of 1601 E 69th St, STE 209, Sioux Falls, SD 57108-8322, is a licensed business entity in the State of South Dakota;

The South Dakota Division of Insurance (Division) has determined that GARY AARON KING and CYPRESS RISK have engaged and/or is engaging in the following violations of the South Dakota Insurance Code:

1. GARY AARON KING collected approximately \$1.5 million in premiums for student athlete accident insurance policies for colleges in various states, including South Dakota;
2. GARY AARON KING failed to remit premium of approximately \$1.5 million to the appropriate entities, in violation of SDCL 58-30-88, 58-30-89, 58-30-167(2), (4), & (8), 58-33-2, 58-33-3, and 58-33-35;
3. GARY AARON KING's failure to remit premium jeopardizes coverage for student at collegiate institutions in South Dakota and other states, affecting at least 625 South Dakota student athletes who may lose their coverage due to these actions;
4. GARY AARON KING used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere, in violation of SDCL 58-30-167(8);
5. GARY AARON KING failed to respond to the Division concerning these serious allegations in violation of SDCL 58-3-7, 58-30-167(7) & (8), and 58-33-66(1);
6. GARY AARON KING is the subject of at least one South Dakota lawsuit, to wit 49CIV23-000115, alleging failure to remit premiums;
7. Due to the ongoing issues and continuing violations of GARY AARON KING and

CYPRESS RISK in the South Dakota insurance market and the substantial evidence present of consumer and insurer harm, a temporary order to cease and desist is appropriate pending a final hearing on these matters;

8. The actions alleged above were performed through and under CYPRESS RISK, where GARY AARON KING is the designated responsible insurance producer pursuant to SDCL 58-30-74.4;
9. CYPRESS RISK has failed to timely notify the Director of changes as regards the actions or inactions of GARY AARON KING as well as the lawsuit mentioned in Determination 6 above, in violation of SDCL 58-30-33;
10. Pursuant to SDCL 58-1-5, 58-3-7, 58-30-88, 58-30-89, 58-30-108, 58-30-167(2), (4), (7), & (8), 58-33-2, 58-33-3, 58-33-35, and 58-33-66(1), the Director of the Division may revoke the GARY AARON KING's insurance producer and the business entity license of CYPRESS RISK for any one of the insurance violations listed above;
11. Pursuant to SDCL 58-33-40, the above-cited violations provide grounds to enter a permanent order to cease and desist from insurance business in this matter;

TEMPORARY ORDER TO CEASE AND DESIST

Therefore, good cause appearing from the foregoing, IT IS HEREBY ORDERED, pursuant to SDCL 58-4-7 and 58-33-40, that GARY AARON KING and CYPRESS RISK immediately Cease and Desist from all insurance activity in the State of South Dakota as of the date of this Order, pending the hearing noticed below.

NOTICE OF HEARING

A contested case hearing before the South Dakota Hearing Examiners is now set for **March 8, beginning at 1:30 P.M. central time**, on the third floor of the Foss Building, located at 523 E. Capitol Avenue, Pierre, South Dakota, 57501. The Office of Hearing Examiners may be contacted by phone at 605-773-6811 or by e-mail at SDOHE@state.sd.us.

The purpose of the hearing is to determine whether the GARY AARON KING and CYPRESS RISK have violated the insurance laws of the State of South Dakota, to determine if the Division's temporary cease and desist order should be made permanent, and to determine whether the licenses of GARY AARON KING and CYPRESS RISK should be revoked.

The contested case hearing is to be held pursuant to the jurisdiction of the Director of the Division under the legal authority conferred by SDCL 1-26-27, 58-4-9, 58-30-167, and 58-33-40. The Office of Hearing Examiners will preside over this matter pursuant to SDCL 1-26D-4 and issue a Proposed Decision pursuant to SDCL Chapter 1-26D, and the Director of the Division or a designee will enter a Final Decision on the matter.

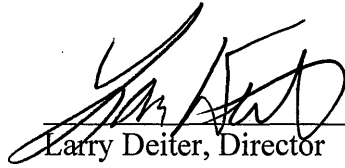
This is an adversary proceeding and any interested party has a right to be present at the hearing, to be represented by an attorney, and that these and other due process rights will be forfeited if they are not exercised at the hearing. A default order will be issued against any party not appearing at the

hearing. Any action taken at the hearing may be appealed to the Circuit Court and the Supreme Court pursuant to SDCL Chapter 1-26.

Handicapped persons who wish to attend should contact the South Dakota Division of Insurance so the hearing can be held in a place readily accessible to them.

A person who is not an original party to this contested case and whose pecuniary interests would be directly affected by the Division's Order made upon the hearing may become a party to the hearing by intervention if timely application therefore is made to the South Dakota Division of Insurance, pursuant to SDCL 1-26-17.1.

Dated at Pierre, South Dakota this 16th day of February, 2023.



Larry Deiter, Director
South Dakota Division of Insurance
Department of Labor & Regulation

CERTIFICATE OF SERVICE

We, Frank A. Marnell and Lisa M. Harmon, the undersigned, do hereby certify that on the date shown below, a true and correct copy of the Temporary Order to Cease and Desist and Notice of Hearing with respect to the above-entitled action was sent U.S. Certified Mail thereon, to the following:

Gary Aaron King
8504 S. Quiet Oak Cir.
Sioux Falls, SD 57108-4137
gary.king@cypressriskmanagement.com

Cypress Risk Management LLC
Attn: Gary King
1601 E. 69th St STE 209
Sioux Falls, SD 57108-8322

Cypress Risk Management LLC
6225 S. Pinnacle Place Suite 202
Sioux Falls, SD 57108

Cypress Risk Management LLC
Attn: Monique Palmieri-Wilson
105 Clemsford Sq
Folsom, CA 95630
monique@cypressriskmanagement.com

Ameritas Life Corp.
PO Box 81889
Lincoln, NE 68501


Pan American Life Ins. Co.
601 Poydras St.
New Orleans, LA 70130

Philadelphia Indemnity Ins. Co.
One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004

Dated at Pierre, South Dakota this 16th day of February, 2023.



Frank A. Marnell, Senior Legal Counsel
South Dakota Dept. of Labor and Regulation
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501
Phone (605) 773-3563



Lisa M. Harmon, Insurance Division Counsel
South Dakota Dept. of Labor and Regulation
124 S. Euclid Ave., 2nd Floor
Pierre, SD 57501
Phone (605) 773-3563



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

Rules applicable to SDCG Case # 23-05-023 Gary King complaint

SDCL 42-7B-14

- (44) "Suitability" or "suitable," in relation to a person is the ability to be licensed by the commission and as to acts or practices, are lawful acts or practices;
- (45) "Unsuitability" or "unsuitable," in relation to a person is the inability to be licensed by the commission because of prior acts, associations, or financial condition, and as to acts or practices, are those that would violate the statutes or rules or would be contrary to the declared legislative purpose of this chapter;

Source: SL 1989, ch 374, § 3; SL 1990, ch 343, § 11; SL 1993, ch 320, § 4 rejected by referendum held September 14, 1993; SL 1993, ch 321, § 1; SL 1994, ch 351, § 100; SL 1995, ch 245, § 1; SL 1997, ch 243, §§ 1, 2; SL 2010, ch 212, § 1; SL 2015, ch 218, § 3; SL 2016, ch 212, § 1; SL 2018, ch 256, § 1; SL 2019, ch 192, §§ 1, 2; SL 2021, ch 189, § 2.

SDCL 42-7B-32. Suspension or revocation of license--Grounds--Reprimand or monetary penalty.

Any license granted pursuant to this chapter may be suspended or revoked for any cause that may have prevented its issuance, or for violation by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted by the commission or for conviction of a crime of moral turpitude or a felony, after notice to the licensee and a hearing, upon grounds determined adequate by the commission. In addition to revocation or suspension or in lieu of revocation or suspension, the commission may impose a reprimand or a monetary penalty for each offense not to exceed the following amounts:

- (1) If the licensee is a slot machine manufacturer or distributor, two hundred fifty thousand dollars;
- (2) If the licensee is an operator, associated equipment manufacturer or distributor, or a sports wagering services provider, one hundred thousand dollars;
- (3) If the licensee is a retailer or gaming property owner, twenty-five thousand dollars;
- (4) If the licensee is a key employee, five thousand dollars; and
- (5) If the licensee has a support license, two thousand five hundred dollars.

Any monetary penalty received by the commission under this section shall be deposited in the gaming commission fund established by § 42-7B-48 and is to be used solely for the purposes prescribed by subdivision 42-7B-48(2) and is not subject to the provisions of subdivision 42-7B-48(3).

Source: SL 1989, ch 374, § 27; SL 1990, ch 343, § 27; SL 2010, ch 212, § 4; SL 2015, ch 220, § 1; SL 2019, ch 192, § 3; SL 2021, ch 189, § 9.

SDCL 42-7B-25. Qualifications for license as operator, gaming property owner, retailer, or provider.

Before any person is licensed as an operator, gaming property owner, route operator, retailer, or sports wagering services provider, the person shall show that the person is of good moral character, and if an individual, that the individual is at least twenty-one years of age.

Source: SL 1989, ch 374, § 23; SL 1993, ch 321, § 6; SL 1995, ch 245, § 7; SL 2010, ch 212, § 3; SL 2021, ch 189, § 7.

ARSD 20:18:09:02. Proscribed conduct. Any act, whether of the same or of a different character than specified in this article, that constitutes dishonesty or fraudulent conduct, whether arising within or without the pursuit of the license privilege, committed by a licensee is grounds for disciplinary action.

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-24, 42-7B-25, 42-7B-32, 42-7B-33, 42-7B-34.

ARSD 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;

Source: 16 SDR 57, effective October 1, 1989; 16 SDR 233, effective July 1, 1990; 19 SDR 21, effective August 20, 1992; 19 SDR 177, effective May 27, 1993; 21 SDR 98, effective November 30, 1994; 22 SDR 95, effective January 18, 1996; 25 SDR 95, effective January 20, 1999.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-15, 42-7B-17, 42-7B-18, 42-7B-32, 42-7B-40.

Cross-References: State Historical Society Rules, ch 24:52; Premise monitoring required, § 20:18:12.01:16.

Note: A copy of the historic preservation plans, standards, and procedures of the city of Deadwood may be obtained from the Planning and Preservation Office, City of Deadwood, Deadwood, SD 57732.

SDCL 42-7B-61. List of persons to be excluded--Entrance in violation as misdemeanor--Penalty for failure to exclude or eject persons on list.

The commission may, by rules promulgated pursuant to chapter 1-26, provide for the establishment of a list of persons who are to be excluded or ejected from any licensed gaming establishment, including any person whose presence in the establishment is determined to pose a threat to the interest of the State of South Dakota or to licensed gaming, or both. In making the determination for exclusion, the commission may consider any of the following:

- (1) Prior conviction of a felony, a misdemeanor involving moral turpitude, or a violation of the gaming laws of any state, the United States, any of its possessions or territories including Indian tribes;
- (2) A violation, attempt to violate or conspiracy to violate the provisions of this chapter relating to the failure to disclose an interest in a gaming establishment for which the person must obtain a license or make disclosures to the commission; or intentional evasion of fees or taxes;
- (3) Notorious or unsavory reputation that would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive influences; or
- (4) Conduct that would adversely affect public confidence that gaming is conducted honestly.

Any person who has been placed on the list of excluded persons by the commission, after July 1, 2014, who enters a licensed gaming establishment after receiving notice as required by § 42-7B-62, is guilty of a Class 1 misdemeanor.

The commission may suspend, revoke, or penalize a licensee or licensed gaming establishment as set forth in § 42-7B-32, after notice and hearing pursuant to chapter 1-26, if that establishment or any licensee affiliated with the licensed gaming establishment knowingly fails to exclude or eject from the premises of the licensed establishment any person placed on the list of persons to be excluded.

Source: SL 1990, ch 343, § 25; SL 2014, ch 207, § 1.

ARSD 20:18:08.01:02. Criteria for exclusion. The criteria to be applied by the commission to prepare a list of persons to be included on the exclusion list are the criteria set forth in SDCL 42-7B-61, any one of which is sufficient for placement of a person on the list.

The commission, in its discretion, may establish evidence of notorious or unsavory reputation, as that term is used in SDCL subdivision 42-7B-61(3), by identification of a person's criminal activities in a published report of any state or federal legislative or executive body that has inquired into various aspects of criminal activities and in the report or investigation of any state or federal law enforcement agency that has inquired into or investigated criminal activities. This evidence may also include any state or federal crime commission, legislative study or legislative subcommittee study on crime, any presidential commission on crime, or any state or federal law enforcement agency or authority report.

The commission, in its discretion, may establish evidence of conduct that would adversely affect public confidence that gaming is conducted honestly, as that term is used in SDCL subdivision 42-7B-61(4), by any one of the following criteria:

(1) The person's character, background, past activity is incompatible with the maintenance of public confidence and trust in the credibility, integrity, and stability of licensed gaming;

(2) The person's character, background, or past activity could reasonably be expected to impair the public perception of, and confidence in, the strict regulatory process created by SDCL Chapter 42-7B and ARSD Article 20:18;

(3) The person's character, background, or past activity could create or enhance a risk of the fact or appearance of unsuitable, unfair, or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto; or

(4) Any other factor reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of gaming operations and the gaming industry and its employees.

Race, color, creed, national origin or ancestry, or sex is not a reason for inclusion of a person upon the exclusion list.

Before a name is placed on the exclusion list, the commission shall first informally review the information or evidence in its possession and make a determination that there is sufficient reason to believe that any one of the criteria specified in SDCL 42-7B-61 is applicable to the candidate. At least three commission members shall concur in such decision at an informal investigative hearing conducted by the commission which may be conducted in executive session. No formal meeting of the commission is required to reach such a decision.

Source: 41 SDR 7, effective July 29, 2014.

General Authority: SDCL 42-7B-7, 42-7B-61.

Law Implemented: SDCL 42-7B-7, 42-7B-11(11), 42-7B-61.



SOUTH DAKOTA COMMISSION ON GAMING

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UNAPPROVED MINUTES

**South Dakota Commission on Gaming
Public Hearing on Proposed Rule Amendments and New Rule
and Quarterly Business Meeting
City Hall, Deadwood, South Dakota**

MINUTES

March 14, 2023

At 9:00 a.m. the meeting was called to order. Chairman Karen Wagner, Vice Chairman Karl Fischer, Commissioner Bob Goetz, and Commissioner Harry Christianson were present. Commissioner Hawley participated in the meeting via Zoom. Staff members present for the meeting were Doug Abraham, Commission Attorney; Susan Christian, Executive Secretary; Mark Heltzel, Deputy Executive Secretary; and Phil Schlieff, IT Specialist.

The meeting was called to order by Chairman Wagner at 9:00 a.m. a roll call was taken, a quorum was present, and all voting will be done by roll call.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Chairman Wagner presented a plaque to Vice Chairman Karl Fisher for his years of service on the Commission.

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

Commissioner Goetz	Nay
Vice Chairman Fischer	Nay
Commissioner Hawley	Nay
Commissioner Christianson	Nay
Chairman Wagner	Nay

Adoption of Quarterly Business Meeting Agenda

Chairman Wagner stated there were a few changes to the agenda. The proposed rule amendments number 5) **ARSD 20:18:35.01:03** and 6) **ARSD 20:18:35.01:06** were deferred to the June quarterly meeting.

Vice Chairman Fischer made a motion to adopt the agenda with the deferral of 5) and 6). Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

The court reporter for the rules hearing portion of the meeting was Carla Bachand.

Proposed Rule Amendments and New Rules

Comments by the Industry

Mike Rodman, Deadwood Gaming Association, stated that the proposed rule amendments is something that they have been working on for many months with the commission. Again, thanking the commission for working so closely on this so that we can look at individual properties and let them decide what is best for them and submit that to the commission for consideration.

The following individuals commented on their properties policies and procedures that they have in place relating to premises monitoring and age participants:

William Ashton, Deadwood Mt. Grand, Tony Sieber, Gold Dust, Corey Heintz, Cadillac Jacks, Chris Fenton, VFW, Ken Gienger, Celebrity, and a letter was read from Mike Trucano.

- 1) Proposed amendment to **ARSD 20:18:12.01:16** Premise monitoring required

Vice Chairman Fischer made a motion to adopt the amended language with edits by the Legislative Research Council. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

2) Proposed amendment to **ARSD 20:18:12.01:23** Age of participants

Commissioner Goetz made a motion to adopt the amended language with edits by the Legislative Research Council. Commissioner Christianson seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Demonstration of Blazing 7's Progressive Must Hit by and Dice-Ology

Michael Vizzio, representing Light & Wonder, gave a power point demonstration on the Blazing 7's Progressive Must Hit By and Dice-Ology.

3) Proposed amendment to **ARSD 20:18:15:30.19** Variations of the play—Blazing 7's Progressive Must Hit By

Commissioner Christianson made a motion to adopt the amended language with edits by the Legislative Research Council. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

4) Proposed New Rule: **ARSD 20:18:33:14** Variations of the play—Dice-Ology

Commissioner Goetz made a motion to adopt the amended language with edits by the Legislative Research Council. Vice Chairman Fischer seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

The rules hearing concluded at 10:01 a.m.

General Meeting

Chairman Wagner called the general meeting to order at 10:02 a.m.

December 28, 2022, Quarterly Meeting

Vice Chairman Fischer made a motion to adopt the minutes as drafted for the December 28, 2022, quarterly meeting. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Old Business

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

Comments Executive Secretary Susan Christian

Susan Christian, Executive Secretary gave brief comments on the following:

- Thanked the industry for stepping up, providing input, and working with the staff on drafting the proposed rules.
- Gave a brief report on the Association of Racing Commissioners International conference that was attended on March 6, 2023, through March 9, 2023.
- Staff is moving forward on the 3rd party vendors that are associated with the sports wagering providers.
- There are three positions open in the office an auditor, an agent, and gaming specialist. Staff has been interviewing so hopefully soon will have those positions filled.
- The move to Spearfish for the business office is in progress at the one stop center and still working on finding a space in Deadwood.

Approval of New Sports Wagering League

- XFL football league

Susan Christian, Executive Secretary, recommended that the Commission deny the request to add the XFL football league to the sports wagering catalogue due to recent integrity issues that are still under investigation.

Commissioner Christianson made a motion to deny the XFL football league. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Williams Ashton
- Robert Hoskin
- William Grounds
- Tammy Marshall-Harris
- Chase Newland
- Gregory Spierkel
- William Hornbuckle
- Atuli Bali
- Keith Meister
- Kendra Finnell
- Maureen Mullarkey-Miller
- Hannah Ncikelson
- Janet Swartz

Commissioner Goetz made a motion to approve the key licenses as staff recommended. Vice Chairman Fischer seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

2023 Key License Renewals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Jess Allen
- Michelle Harmon
- Deb Klima
- Ernest Matthews
- William Stearns
- Liz Vodika

Vice Chairman Fischer made a motion to approve the key license renewals as staff recommended. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Business License Approvals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Approval for a Retail license (**13145-RT**) to Sportsbook Deadwood, LLC. The retail license will be assigned to 53 Sherman Street, the Landmark Casino.

Commissioner Goetz made a motion to approve the business license as staff recommended. Vice Chairman Fischer seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

- BetMGM, Internet Sports International, and IGT were issued Sports Wagering Service Providers license with conditions that they would be responsible for the third-party vendors they were using. Staff has been able to call forward those third-party vendors, and recommending those conditions be removed from their licenses.

Commissioner Goetz made a motion to remove the conditions from the business licenses as staff recommended. Commission Christianson seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Approval of Next Quarterly Commission Meeting

- Tuesday June 13, 2023

Vice Chairman Fischer made a motion to approve the date for the next scheduled quarterly meeting. Commissioner Goetz seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Public Comment

There was no participation for the comment period of the meeting.

Executive Session

Executive Session pursuant to SDCL 1-25-2

With no administrative decisions the Commissioners did not go into Executive Session.

Adjournment

With no further business to discuss Commissioner Goetz made a motion to adjourn the meeting. Vice Chairman Fischer seconded the motion.

On a roll call the motion carried unanimously.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

The meeting was adjourned at 10:21 a.m.

Respectfully Submitted,

Kathy Beringer

Karen Wagner, Madam Chairman

Susan Christian, Executive Secretary



SOUTH DAKOTA COMMISSION ON GAMING

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

UNAPPROVED MINUTES

South Dakota Commission on Gaming Special Meeting

MINUTES

April 24, 2023

The South Dakota Commission on Gaming special meeting was held via Zoom at 1:00 p.m. MDT. Chairman Karen Wagner, Commissioner Bob Goetz, Commissioner Spencer Hawley, and Commissioner Harry Christianson were present. Staff members present for the meeting were Doug Abraham, Commission Attorney; Susan Christian, Executive Secretary; Mark Heltzel, Deputy Executive Secretary; Kelly Hanson, Director of Operations; Phil Schlieff, IT Specialist; and Kathy Beringer, Recorder. Other person participating in the meeting was Jon Grant Lincoln.

The meeting was called to order by Chairman Wagner at 1:00 p.m. MDT a roll call was taken, a quorum was present, and all voting will be done by roll call.

On a roll call all Commissioners were present.

Commissioner Goetz	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

Commissioner Goetz	Nay
Commissioner Hawley	Nay
Commissioner Christianson	Nay
Chairman Wagner	Nay

Adoption of the Special Meeting Agenda

Commissioner Hawley made a motion to adopt the agenda. Commissioner Goetz seconded the motion.

On a roll call vote motion carried unanimously.

Commissioner Goetz	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Deadwood Licensing Matters

- Approval of Operator License for SGMSD
- Approval of Retail Licenses for SGMSD
- Approval of Key License for Jon Grant Lincoln

Deputy Executive Secretary Heltzel recommended approval of the following:

- Approval of an Operator License (**License#13176-OP**) and thirteen (13) Retail Licenses for SGMSD (**License #13177-RT thru License #13189-RT**) and the licenses at this time will remain unassigned.

Commissioner Goetz made a motion to approve the Business Licenses as staff recommended. Commissioner Hawley seconded the motion.

On a roll call vote motion carried unanimously.

Commissioner Goetz	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Deputy Executive Secretary Heltzel recommended approval of the following:

- Approval of a Key License for Jon Grant Lincoln

Commissioner Christianson made a motion to approve the Key License as staff recommended. Commissioner Hawley seconded the motion.

On a roll call vote motion carried unanimously.

Commissioner Goetz	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Public Comment

There was no participation for the comment period of the meeting.

Adjournment

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

On a roll call vote motion carried unanimously.

Commissioner Goetz	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

The meeting was adjourned at 1:08 p.m. MDT.

Respectfully Submitted,

Kathy Beringer

Karen Wagner, Madam Chairman

Susan Christian, Executive Secretary



SOUTH DAKOTA COMMISSION ON GAMING

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STATE OF SOUTH DAKOTA CONSULTING CONTRACT

AGREEMENT made and entered into this 13th day of June 2023, by and between South Dakota Commission on Gaming, a state agency of 445 East Capitol Avenue, Pierre, SD 57501 (the "State") and Gaming Laboratories International LLC, 600 Airport Road, Lakewood, New Jersey, 08701, (the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform the following services:

The Consultant will advise, review and draft regulations and test gaming devices as requested by the Commission on Gaming staff for the following fees:

- (1) Professional consulting fees no charge for the first ten (10) hours of consulting during the contract period and then \$170.00 per hour after the first ten (10) hours**
- (2) Regular device testing time \$170.00 per hour**
- (3) Telephone consulting free of charge**
- (4) Random Number Generator testing minimum of \$5,000.00 per RNG**

2. The consultant's services under this Agreement shall commence on July 1, 2023 and end on June 30, 2024 unless sooner terminated pursuant to the terms hereof.

3. The Consultant will not use State equipment, supplies or facilities The Consultant's Employer Identification Number is 26-1938391.

4. The State will make payment for services upon satisfactory completion of the services The TOTAL CONTRACT AMOUNT is an amount not to exceed \$35,000.00 The state will not pay Consultant's travel expense as a separate item Payment will be made pursuant to itemized invoices.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder This section does not

require the consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the States, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:
The Consultant agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit of not less than \$1,000,000.00.

B. Automobile Liability Insurance:

The Consultant should maintain business automobile liability insurance or equivalent form with a limit of not less than \$500,000.00 for each accident. Such insurance should include coverage for owned, hired and non-owned vehicles.

C. Worker's Compensation Insurance:

The Consultant shall procure and maintain worker's compensation and employers' liability insurance as required by South Dakota Law.

Before beginning work under this Agreement, the Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required by this Agreement and which provide that such insurance may be canceled, except upon 30 days' prior written Notice to the State. The Consultant shall furnish copies of insurance policies if requested by the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications.)

Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Susan Christian, Executive Secretary, South Dakota Commission on Gaming on behalf of the State, and by James R. Maida, President, Gaming Laboratories International, on behalf of the Consultant, or such authorized

designees as either party may from time to time designate in writing Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

16. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

17. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of the Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

STATE

CONSULTANT

BY: _____
Susan Christian
Executive Secretary
South Dakota Commission on Gaming

BY: James R Maida
[James R Maida \(Apr 10, 2023 15:42 EDT\)](#)
James R. Maida
President
Gaming Laboratories International, LLC

(DATE)

Apr 10, 2023

(DATE)

BY: _____
Mike Houdyshell
Secretary
Department of Revenue and Regulation

(DATE)

State Agency Coding (MSA Center) 0293000633

State Agency MSA Company for which contract will be paid 52041300

Object/sub object MSA account to which voucher will be coded _____

Name and phone number of contact person in State Agency who can provide additional information regarding this contract: Susan Christian Acting Executive Secretary

2023

Fort Pierre, SD Horse Racing
Condition Book & Track Rules

Saturday Sunday
October 7th October 8th

Post Time 1:00 PM CST Both Days

Stanley County Fairgrounds, Ft. Pierre, SD

Verendrye Benevolent Association
PO Box 426
Fort Pierre, SD 57532

Entry Phone Numbers:

Kent Cross (605)295-7163
Melissa Cross (605)280-1767

Owner and Trainer Account Funds will **NOT** be released until the week after the race meet concludes or until all test results are in for any horses that were tested.

A \$500 Jockey Bonus will be available for all Riders who have met the eligibility requirements at the conclusion of the 2023 VBA Race Meet.

The SD Commission on Gaming will be available to begin providing various racing licenses that are required to participate in this race meet on October 3rd at the Expo Center Meeting Room.

You **must** have your 2022 SD License in hand to be eligible for a 2023 license renewal or else it will be treated as a new application.

* Additional Rules and Modifications to existing VBA Rules may be added to the Final copy of the 2023 VBA Condition Book at the discretion of Executive Secretary Christian.

Verendrye Benevolent Association Track Rules for 2023

1. Only horses which have successfully completed at least one race within the last year at a recognized Track or successfully completed two (2) timed works within the last six months either or both of which must be recorded on Equibase, will be eligible to enter races offered at this race meet.
2. All horses competing at this race meet must be identified accurately by whichever means is deemed necessary by the Track Identifier before saddling in the paddock area. Any horse which is not readily identifiable will not be allowed to compete at this race meet. Final discretion in these matters will be offered by the Track Identifier after consultation with the Stewards.
3. All races in this condition book will be written for a weight of 128 pounds unless otherwise specified or stated.
4. All races offered will be with SD Bred Preference unless otherwise specified in the Race Conditions. Certain races will be offered with High Weights as a secondary factor in determining eligibility and will be clarified in the Race Conditions. Accumulated earnings in 2023 will be considered when determining High Weight Preference.
5. No horse will be allowed to compete more than one time within a 48 hour time period during this race meet.
6. Stalls available to all horses upon arrival at the Stanley County Fairgrounds beginning October 3rd, 2023. Stall assignments will be offered in a cooperative manner under the discretion of the Stall Manager after presentation of a current and legitimate Certificate of Vet Inspection and Coggins. No stall fee will be assessed but rather a \$50 entrance fee will be assessed to all competing horses and paid to the VBA General either by cash or bankable check and presented to the VBA Bookkeeper.
7. Nomination Fees and Pass The Box Fees are Due at Time Of Entry and need to be paid to the VBA Bookkeeper.
8. It is strongly recommended by the SD State Veterinarian and the Track Veterinarians that all horses be vaccinated for infectious diseases, specifically Equine Herpes Virus. All horses entering the Stanley County Fairgrounds must be accompanied by a Certificate of Vet Inspection (CVI) from a licensed and accredited Veterinarian. Proof of a negative Coggins Test within the last twelve months and other relevant and important information must be listed on the CVI. An import permit number from the SD Animal Industry Board is required if a horse is entering a state with active cases of Vesicular Stomatitis. The CVI must be current and issued within the last 10 Days of entry into the Stanley County Fairgrounds. All CVI's will be checked at the barn area by VBA Personnel that have received the proper training from our Track Veterinarians in this area. No horses will be allowed to unload until this process has been completed. If an inspection is needed you may contact our Track Veterinarian, Murray Kettler at (605)222-0456 and arrange an appointment or contact the Veterinarian of your choice. Horses will be allowed admittance to the Stanley County Fairgrounds on Tuesday October 3rd, 2023.
9. VBA will take entries for Saturday, October 7th on Tuesday October 3rd and entries for Sunday, October 8th on Wednesday, October 4th. Entries will be taken between the hours of 9:00 AM and 12:00 PM CST both days. Entries may be submitted by contacting Kent Cross at (605)295-7163 or Melissa Cross at (605)280-1767. The VBA is requesting that an electronic photo of an entry registration document be submitted via text message to either of these contacts. We understand that this is not an option for all but do believe it may provide a bit of clarification in the entry process. ALL Papers for competing horses MUST be in the Racing Office no later than 12:00 PM CST on the day the horse is scheduled to compete. Failure to do so may result in a Scratch. VBA Officials will be present to begin receiving registration papers on Monday, October 1st, 2023 at 10:00 AM CST.
10. Officials of this VBA hosted race meet reserve the right to delay, postpone, modify or cancel any or all races which they deem necessary in order to preserve the safety of all involved due to adverse conditions. If overnight "scratches" result in a field of four (4) or less equine participants then in all likelihood that entire race will be cancelled.
11. The decisions of the Racing Stewards, in all related matters, are final, while entries are accepted only on the condition that all individuals entering/starting a horse in a race agree to abide by the decisions of the Racing Stewards.
12. Any change in horse ownership within 48 hours of entries must be approved by the Track Stewards.
13. Claiming Races. For a claim to be viable it must be placed in the Claim Box prior to the first horse with a rider aboard leaving the paddock area and entering the race track for the race in which the claim is being made. Funds to claim a horse MUST be Cash, Cashiers Check or Certified Check. These funds MUST be deposited into the Owners Account that specifically and identically matches the name on the claim card.
14. All wins of all races will be recorded by the Racing Secretary on the registration papers of race winning equine participants.
15. All Exercise Riders, Jockeys and Outriders must obtain a current 2023 SD Racing License before entering the race track. All Exercise Riders, Jockeys, Outriders, Gate Crew, Owners, Trainers, Grooms, Pari Mutual Workers, and Track Officials are required to obtain a current 2023 SD Racing License to be in compliance with SDCG and VBA Track Rules. You must have your 2022 SD Racing License in order to be eligible for renewal in 2023 or it will be treated as a new application.
16. All Exercise Riders and Jockeys MUST Wear Flack Jackets and Helmets while performing on the race track in any capacity.

Fort Pierre

Day 1
Saturday, October 7, 2023
Enter Tuesday, October 3, 2023

Thoroughbred Claiming

FIRST RACE

1 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$5,000

FIVE FURLONGS

Quarter Horse Claiming

SECOND RACE

2 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$10,000

TWO HUNDRED AND FIFTY YARDS

*SD Bred Quarter Horse Futurity
Quarter Horse Stakes
Certified South Dakota Bred*

THIRD RACE

3 Purse \$15,000-Estimated. (Includes \$12,500 SD Bred Purse Fund) (Includes 100% from Nominations) \$500 Nomination Fee Due At Time Of Entry Weight 128 lbs...

SD

TWO HUNDRED AND FIFTY YARDS

Thoroughbred Allowance

FOURTH RACE

4 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward NonWinners of 3 Races in 2023.
Three Year Olds 128 lbs. Older 128 lbs.

FIVE FURLONGS

Thoroughbred Allowance

FIFTH RACE

5 Purse \$7,600. For Three Year Olds and Upward \$200 To Pass The Box At Time Of Entry. Purse Includes \$3,000 From SD Commission On Gaming Revolving Fund, \$3,000 From SD Bred Fund For Open Races and 100% of Pass The Box Fees..... High Weights Preferred By Earnings in 2022 and 2023.
Three Year Olds 128 lbs. Older 128 lbs.

SIX AND ONE HALF FURLONGS

*SD Bred Thoroughbred Stakes
Certified South Dakota Bred*

SIXTH RACE

6 Purse \$15,000-Estimated. (Includes \$12,500 SD Bred Purse Fund) (Includes 100% from Nominations) For Three Year Olds and Upward. \$500 Nomination Fee Due At Time Of Entry.....Weight 128 lbs...

SD

FIVE FURLONGS

Fort Pierre

Day 1
Saturday, October 7, 2023
Enter Tuesday, October 3, 2023
Thoroughbred Maiden Allowance

SUBSTITUTE RACE NO 1

S1 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Maidens, Three Years Old and Upward.
Three Year Olds 128 lbs. Older 128 lbs.
All Entries Are Required To Have a Least 2 Starts At A Recognized Track in 2023.

FIVE FURLONGS

Thoroughbred Claiming

SUBSTITUTE RACE NO 2

S2 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward Which Have Not Won A Race In 2023.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$3,000

FIVE FURLONGS

Quarter Horse Claiming

SUBSTITUTE RACE NO 3

S3 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward Which Have Not Won A Race In 2023.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$3,000

TWO HUNDRED AND FIFTY YARDS

Thoroughbred Claiming

SUBSTITUTE RACE NO 4

S4 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward Which Have Not Won A Race In 2023.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$5,000

SIX AND ONE HALF FURLONGS

Quarter Horse Claiming

SUBSTITUTE RACE NO 5

S5 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Three Year Olds and Upward.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$5,000

TWO HUNDRED AND FIFTY YARDS

*Thoroughbred Allowance
Fillies & Mares*

SUBSTITUTE RACE NO 6

S6 Purse \$6,600. (Includes 100% from Nominations)(Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association)) For Fillies And Mares Three Years Old and Upward \$200 Pass The Box Fee Due At Time Of Entry.
Three Year Olds 128 lbs. Older 128 lbs.

FIVE FURLONGS

Fort Pierre

Day 2

Sunday, October 8, 2023

Enter Wednesday, October 4, 2023

Thoroughbred Claiming
Fillies & Mares

FIRST RACE

1 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Fillies And Mares Three Years Old and Upward.
Three Year Olds 128 lbs. Older 128 lbs.
CLAIMING PRICE \$5,000

FIVE FURLONGS

Quarter Horse Allowance

SECOND RACE

2 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Three Year Olds and Upward.
Three Year Olds 128 lbs. Older 128 lbs.

TWO HUNDRED AND FIFTY YARDS

SD Bred Quarter Horse Derby
Quarter Horse Stakes
Certified South Dakota Bred

THIRD RACE

3 Purse \$15,000-Estimated. (Includes \$12,500 SD Bred Purse Fund) (Includes 100% from Nominations) \$500 Nomination Fee Due At Time Of Entry. Weight 128 lbs..

SD

TWO HUNDRED AND FIFTY YARDS

Thoroughbred Allowance

FOURTH RACE

4 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Three Year Olds and Upward Which Have Never Won 3 Races.
Three Year Olds 128 lbs. Older 128 lbs.

FIVE FURLONGS

SD Bred Quarter Horse Maturity
Quarter Horse Stakes
Certified South Dakota Bred

FIFTH RACE

5 Purse \$13,750-Estimated. (Includes \$12,500 SD Bred Purse Fund) (Includes 100% from Nominations) For Four Year Olds and Upward.\$250 Nomination Fee Due At Time of Entry.....Weight 128 lbs..

SD

TWO HUNDRED AND FIFTY YARDS

Fort Pierre Mile
Thoroughbred Stakes

SIXTH RACE

6 Purse \$7,600-Estimated. \$200 To Pass The Box At Time of Entry. Purse Includes \$3,000 From SD Commission On Gaming Revolving Fund, \$3,000 From SD Bred Fund For Open Races and 100% of Pass The Box Fees..... High Weights Preferred By Earnings in 2022 and 2023..... Weight 128 lbs.

ABOUT ONE MILE

Fort Pierre

Day 2
Sunday, October 8, 2023
Enter Wednesday, October 4, 2023

SD Bred QH Allowance
Quarter Horse Stakes
Certified South Dakota Bred

SUBSTITUTE RACE NO 1

S1 Purse \$15,000-Estimated. (Includes \$12,500 SD Bred Purse Fund) (Includes 100% from Nominations) \$500 Pass The Box Fee Due At Time Of Entry. This Race Will Only Be Considered If The SD Bred Derby Or The SD Bred Maturity Races Do Not Fill.

SD

TWO HUNDRED AND FIFTY YARDS

Quarter Horse Maiden Allowance

SUBSTITUTE RACE NO 2

S2 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Maidens, Three Years Old and Upward.
Three Year Olds. 128 lbs. Older. 128 lbs.

TWO HUNDRED AND FIFTY YARDS

Thoroughbred Allowance

SUBSTITUTE RACE NO 3

S3 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Three Year Olds and Upward Which Have Not Won A Race In 2023.
Three Year Olds. 128 lbs. Older. 128 lbs.

FIVE FURLONGS

Quarter Horse Allowance

SUBSTITUTE RACE NO 4

S4 Purse \$5,000. (Includes \$3,000 from SD Commission on Gaming Revolving Fund)(Includes \$2,000 from Verendrye Benevolent Association) For Three Year Olds and Upward Which Have Not Won A Race In 2023.
Three Year Olds. 128 lbs. Older. 128 lbs.

TWO HUNDRED AND FIFTY YARDS



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

RESOLUTION NUMBER 06-13-23-01

The South Dakota Commission on Gaming hereby makes the following allocations for purse supplements and racing operations to the Verendrye Benevolent Association for the 2023 live horse racing season:

From the South Dakota Bred Racing Fund:

\$50,000.00 for purses for races that are restricted to South Dakota Bred horses including stakes races;

\$6,000.00 for purses for open races

\$625.00 per racing day from the South Dakota Bred Racing Fund, not to exceed a maximum of

\$1,250.00 for point money for South Dakota bred horses that compete in races that are not restricted to South Dakota bred horses and on which pari mutuel wagers are accepted at the Stanley County Fairgrounds

\$1,500.00 per racing day from the South Dakota Bred Racing Fund, not to exceed a maximum of \$3,000.00, for bonuses paid to the breeder of the winner of every race won by a South Dakota Bred horse

From the Special Racing Revolving Fund:

\$83,340.00 from for racing operations

\$30,000.00 from Special Racing Revolving Fund for purses

None of the allocated funds above may be used as purse supplements to any race in which less than five (5) qualified horses have been entered under the supervision of a state steward.

Track management is authorized to make adjustments in the above categories with prior approval of the Executive Secretary of the Commission.

These funds shall be made available to the race tracks upon approval of vouchers by the Executive Secretary and the purpose for which these funds are used shall be subject to an audit by the Commission's audit staff after the financial reports required by ARSD 20:04:20:10 have been furnished to the Commission. Any funds that are disbursed to the corporation or association that are not used as specified above are required to be returned to the South Dakota Commission on Gaming and made available for 2023 race season's allocation.

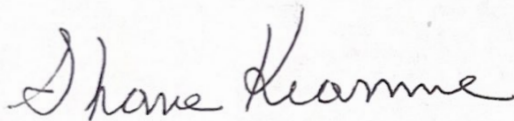
The Executive Secretary is authorized to withhold \$ 3,200.00 from the distribution of the \$83,340.00 allocated to the Verendrye Benevolent Association for operations as a guaranteed payment of taxes and fees to the Commission until such time as the association has paid in full all taxes and fees due the Commission for the 2023 racing season.

VERENDRYE BENEVOLENT ASSOCIATION
PO BOX 426
FORT PIERRE, SD 57532

April 17th, 2023

The Verendrye Benevolent Association is formally submitting this Funding Request to the South Dakota Commission on Gaming. If fulfilled, these requisitioned funds would be utilized cooperatively with funds and labor offered by the VBA to support Fort Pierre Horse Racing at the Stanley County Fairgrounds in Fort Pierre, SD on October 7th and 8th, 2023. The VBA looks forward to hosting our annual historic live racing event for our 75th season with integrity and pride. The VBA understands the benefits this event provides for all who are involved in any manner, as well as a venue for producers to showcase their equine athletes at a very competitive level. Furthermore the VBA would like to thank the SD Commission on Gaming and Executive Secretary Susan Christian for their past efforts as, well as their future considerations in these matters involving live racing in our great state of South Dakota.

Shane Kramme
Verendrye Benevolent Association
General Manager and Vice President

A handwritten signature in cursive script that reads "Shane Kramme".

VERENDRYE BENEVOLENT ASSOCIATION
2023 Track Operations Budget
Funds to be derived from the Revolving Fund in support of
2023 VBA – Fort Pierre Horse Racing

Insurance-

Jockey Insurance -	\$28,840.00
Exercise Rider -	\$ 1,950.00
Events Cancellation -	\$ 1,350.00

Labor –

Track Management -	\$ 2,000.00
Racing Secretary -	\$ 3,000.00
Horsemen's Book Keeper -	\$ 4,000.00
Accounts Manager -	\$ 4,000.00
Track Maintenance Supervisor -	\$ 1,500.00
Identifier -	\$ 800.00
Starter and Gate Crew (10)	\$5,000.00
Clerk of Scales	\$ 800.00
Outriders (2)	\$1,000.00
Track Veterinarian	\$ 1,000.00
Track Steward	\$ 400.00
Track Announcer	\$ 800.00
Parimutuel Manager -	\$ 1,000.00
Money Room Manager -	\$ 1,000.00
Parimutuel Tellers (10) -	\$ 3,000.00

Services –

Timer, Tote and Video	\$ 5,200.00
Ambulance Standby -	\$ 2,000.00
Entry Support -	\$ 1,000.00
Clean up- Trash Removal -	\$ 800.00
Program Sales -	\$ 400.00
Track Setup and Repairs -	\$ 600.00
Racing Program Production -	\$ 4,000.00
Condition Book Production -	\$ 500.00

Security –

Money Room -	\$ 875.00
Paddock Gate -	\$ 300.00
Backside Entry and Stalling -	\$1,500.00

Rentals and Lease –

Stanley County Fairgrounds -	\$ 4,000.00
Expo Center Meeting Room -	\$ 525.00
Copier -	\$ 200.00
Total Track Operations Budget Request -	\$83,340.00

**VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding Request**

The Verendrye Benevolent Association formally requests that \$30,000 be drawn from the South Dakota Race Revolving Fund. These funds will be placed in the VBA Horsemen's Account and utilized as guaranteed purse structure to conduct "Open" races at VBA – Fort Pierre Horse Racing.

Total request amount = \$30,000

**VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding Request**

The Verendrye Benevolent Association formally requests that \$50,000 be drawn from the **SD Bred Fund**. These funds would be utilized as guaranteed purse structure to conduct specific SD Bred races at 2023 VBA – Fort Pierre Horse racing. These intended races included the SD Bred QH Futurity, SD Bred QH Derby, SD Bred QH Maturity and the SD Bred TB Stakes. Each of these races would utilize \$12,500 in SD Bred Funds. If no alternative or combined race options are allowed in the event that a proposed Bred race offering is not viable, any and all unused funding will be returned to the SD Commission on Gaming so it can be returned to the SD Bred Fund for future use.

Total request amount = \$50,000

VERENDRYE BENEVOLENT ASSOCIATION
Funding Request

The Verendrye Benevolent Association formally requests that \$6,000 be drawn from the SD Bred Fund. These funds would be utilized as allowed for guaranteed purse structure for intended "Open" races at 2023 VBA- Fort Pierre Horse Racing. These requested funds are considered a portion of the allowed 25% utilized allocation from the SD Bred Fund, which can be used as purse structure for "Open" races. Any or all funds that are unable to be utilized will be returned to the SD Commission on Gaming so it can be returned to the SD Bred Fund for future use.

Total request amount = \$6,000

VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding request

The Verendrye Benevolent Association formally request that \$1,250 from the **SD Bred Fund** be earmarked as requested funding. A portion or the entire amount of these funds are to be utilized to compensate qualified SD Breeders of winning horses of specific SD Bred races at 2023 VBA – Fort Pierre Horse Racing. The compensation rate is 5% of the total purse which will be calculated and submitted with a comprehensive report at the conclusion of our annual race meet at which time the VBA will formally request these funds.

Total requested earmarked amount = 1,250

VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding request

The Verendrye Benevolent Association formally requests that \$1,250 from the **SD Bred Fund** be earmarked as requested funding. A portion or the entire amount of these funds will be utilized to compensate qualified SD Bred owners who have competed in an "Open" race at 2023 VBA – Fort Pierre Horse Racing with a SD Bred equine. The VBA will submit an exact total along with a comprehensive report at the conclusion of our annual race meet. These funds will be distributed accordingly through the SD Bred Points system.

Total requested amount = \$1,250

**VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding Request Totals**

South Dakota Race Revolving Fund:

Track Operations -	\$83,340.00
“ Open” races Purse Funding -	\$30,000.00
SD Race Revolving Fund Request Total =	<u>\$113,340.00</u>

South Dakota Bred Fund

Specific SD Bred Races (4) Purse Funding -	\$50,000.00
Allowed as 25% of utilized SD Bred Funding to be used as purse structure for “Open” races	\$6,000.00
SD Bred Fund request Total =	<u>\$56,000.00</u>

SD Bred Fund (earmarked) for later requisition -	<u>\$2,500.00</u>
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Total Funding Request + Earmarked Funds =	<u>\$171,840.00</u>
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SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

RESOLUTION NUMBER 06-13-23-02

Section 1. The executive Secretary is authorized to reimburse the Verendrye Benevolent Association from the Special Racing Revolving Fund for longevity payments to licensed jockeys who participate in races in South Dakota for the 2022 season according to the following criteria:

Section 2. Any jockey who has filed with the Commission staff proof of having been given a physical examination within the last year and has earned a jockey fee in at least four races per day or has been available to ride in races throughout each racing day (unless excused by the stewards in their sole discretion for a period of time not to exceed 1 racing day) at the Fort Pierre Race track shall be eligible to receive a longevity payment of Five Hundred Dollars (\$ 500.00) to be paid at the time of jockey fees for the last racing day at the fort Pierre Race Track.

Section 3. A list of jockeys who are eligible to receive longevity payments shall be provided to the Horsemen's Bookkeeper by the Presiding Steward.

VERENDRYE BENEVOLENT ASSOCIATION
2023 Funding Request

The Verendrye Benevolent Association formally requests that a \$500 Jockey Bonus be paid to each qualifying jockey who successfully completes the Jockey Bonus program and complies with all parameters of the Jockey Bonus program at 2023 VBA – Fort Pierre Horse Racing. The Presiding Steward shall set forth the qualifications of the Jockey Bonus Program as well as issue a final list of all eligible recipients. The VBA will submit a comprehensive report as well as the formal request of these funds at the conclusion of our annual race meet.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

TO: Commissioners
FROM: Susan Christian, Executive Secretary
SUBJECT: Track Bond and Insurance
DATE: June 13, 2023

I recommend that the Commission require as a condition of any horse track's license that the corporation or association which holds the license obtain an insurance policy or policies with limits of \$1 million naming the South Dakota Commission on Gaming and its agents and employees as additional insured. The policy or policies shall include general liability, liquor liability, jockey insurance and horse racing activities.

I also recommend that the track be required to obtain a bond, deposit in lieu of bond, or letter of credit to be used if necessary, to pay purses, salaries, wages and payments to vendors for good and services provided to the corporation or association in conducting its racing operations in the following amount:

Verendrye Benevolent Association \$ 25,000.00



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

TO: Commissioners

FROM: Susan Christian, Executive Secretary

DATE: June 13, 2023

SUBJECT: Approval 2023 Verendrye Benevolent Association Racing Official-Ft. Pierre

Pursuant to 20:18:20:17 staff recommends the Commission approve the following persons to serve as the Verendrye Benevolent Association Racing Officials:

General Manager and Starter - Shane Kramme

Assistant General Manager and Assistant Starter - Scott Hoyt

Racing Secretary and Handicapper - Kent Cross

Starter - Shane Kramme

Horsemen's Bookkeeper-Kacee Etkorn

Clerk of Scales - David Kramme

Jockey Room Custodian - David Kramme

Horse Identifier - Jerry Duncan

Paddock Judge - Jerry Duncan

Parimutuel Manager – Linda Brown

Timer-Tony Harris

Track Maintenance Supervisor- Ken Olson

VBA Track Steward - Doug Runge

Outriders - Bryon Biber , Everett Langland

Veterinarian – Murray Ketteler



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
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20:04:20:18. Appointment of officials. The state stewards, assistant state stewards, and state veterinarian for each race meeting shall be named by the commission and paid from the special racing fund. All other officials designated in § 20:04:20:17 shall be appointed by the association, subject to the approval of the commission. The commission may require a change of personnel for good reason, and the replacements are subject to the approval of the commission.

Source: 5 SDR 87, effective April 15, 1979; transferred from § 20:04:04:04, 9 SDR 122, effective March 31, 1983; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 16 SDR 129, effective February 4, 1990; 17 SDR 113, effective February 5, 1991.

General Authority:SDCL [42-7-56\(13\)](#).

Law Implemented:SDCL [42-7-56\(10\)\(13\)](#).



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

TO: Commissioners

FROM: Susan Christian, Executive Secretary

DATE: June 13, 2023

SUBJECT: Appointment of SDCG Horse Racing Officials

Pursuant to ARSD 20:04:20:18 staff recommends the Commission approve the following persons to serve as Commission racing officials for the 2023 racing season:

Presiding Steward	Lloyd Just
State Steward	Larry Eliason
Commission Veterinarian	Roger Cooper, DVM



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capitol Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

20:04:20:18. Appointment of officials. The state stewards, assistant state stewards, and state veterinarian for each race meeting shall be named by the commission and paid from the special racing fund. All other officials designated in § 20:04:20:17 shall be appointed by the association, subject to the approval of the commission. The commission may require a change of personnel for good reason, and the replacements are subject to the approval of the commission.

Source: 5 SDR 87, effective April 15, 1979; transferred from § 20:04:04:04, 9 SDR 122, effective March 31, 1983; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 16 SDR 129, effective February 4, 1990; 17 SDR 113, effective February 5, 1991.

General Authority: SDCL [42-7-56\(13\)](#).

Law Implemented: SDCL [42-7-56\(10\)\(13\)](#).

STATE OF SOUTH DAKOTA
CONSULTING CONTRACT

Agreement made and entered into this 13th day of June, 2023, by and between the South Dakota Commission on Gaming, a state agency, of 445 East Capitol Avenue, Suite 101, Pierre, South Dakota, 57501 (the "State") and Cooper Animal Clinic, 39224 133rd Street, Aberdeen, South Dakota, 57401 phone number (605) 225-3500 (the "Consultant").

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform those services described in the Scope of Work, attached hereto as Exhibit A and by this reference incorporated herein.

2. The Consultant's services under this Agreement shall commence on October 1, 2023 and end on December 31, 2023 unless sooner terminated pursuant to the terms hereof.

3. The Consultant will not use State equipment, supplies or facilities. The Consultant will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

4. The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$20,000.00. The State will not pay Consultant's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Consultant agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than \$1,000,000.00.

B. Business Automobile Liability Insurance:

The Consultant shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

C. Worker's Compensation Insurance:

The Consultant shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or non-renewal of the policy, the Consultant agrees to provide immediate notice to the State and provide new certificate of insurance showing continuous coverage in the amounts required. Consultant shall furnish copies of insurance policies if requested by the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g. attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then

the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements, and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Consultant hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Consultant in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Consultant without the written consent of the State. Papers, reports, forms, software programs, source code(s), and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

16. The Consultant certifies that neither Consultant nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Consultant further agrees that it will immediately notify the State if during the term of this Agreement Consultant or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

17. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Susan Christian on behalf of the State, and by and to Roger D. Cooper on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

18. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

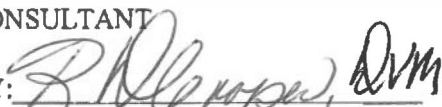
19. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

STATE

BY: _____
Susan Christian Date
Executive Secretary

CONSULTANT

BY:  Date 5/2/23
Roger D. Cooper, DVM
Cooper Animal Clinic

BY: _____
Mike Houdyshell Date
Secretary
Department of Revenue

- State Agency Coding (MSA Center) 0293000633
- State Agency MSA Company for which contract will be paid 3037
- Object/sub object MSA account to which voucher will be coded 52041000
- Name and phone number of contact person in State Agency who can provide additional information regarding this contract: Susan Christian (605) 951-9173

EXHIBIT A

SCOPE OF WORK

During the term of this contract Roger D. Cooper, DVM will perform the duties of the commission veterinarian as described in ARSD Chapter 20:04:18 and Chapter 20:04:27.

Cooper Animal Clinic will provide sufficient personnel to supervise the test barns and to take and secure blood and urine samples from races horses on the grounds of the Fort Pierre Racetrack as required by racing rules or as requested by the Stewards.

During the period October 7, 2023 through October 8, 2023, Roger D. Cooper and Cooper Animal Clinic will not treat any horses that are competing or being trained to compete at the Fort Pierre Racetrack except to render immediate treatment or euthanasia to an injured horse with the consent of the owner or trainer of the horse.

STATE OF SOUTH DAKOTA
CONSULTING CONTRACT

AGREEMENT made and entered into this 13TH of June 2023, by and between South Dakota Commission on Gaming, a state agency, of 445 East Capitol Avenue, Pierre, South Dakota 57501 (the "State") and Center for Tox Services, 1819 West Drake Drive, Suite 102, Tempe, Arizona 85283 (the "Consultant"), phone (480) 345-7454.

The State hereby enters into this Agreement for services with Consultant in consideration of and pursuant to the terms and conditions set forth herein.

1. The Consultant will perform those services described in the Work Plan, attached hereto as Exhibit A and by this reference incorporated herein.

2. This contract shall begin on October 1, 2023 and end on December 31, 2023 unless sooner terminated pursuant to the terms hereof.

3. The Consultant will not use State equipment, supplies or facilities. The Consultant will provide the State with its Employer Identification Number or Federal Tax Identification Number upon execution of this Agreement.

4. The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed \$22,500.00 that may include travel expenses experienced by Consultant. All travel expenses shall be approved by the Executive Secretary of the South Dakota Commission on Gaming prior to such travel. Payment will be made pursuant to itemized invoices.

5. The Consultant agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

6. The Consultant, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. General Liability Insurance or Miscellaneous Professional Liability Insurance:

The Consultant agrees to procure and maintain liability insurance with a limit of not less than \$1,000,000.00.

B. Worker's Compensation Insurance:

The Consultant shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, the Consultant shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement and which provide that such insurance may not be canceled, except on 30 days' prior written notice to the State. The Consultant shall furnish copies of insurance policies if requested by the State.

7. While performing services hereunder, the Consultant is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

8. Consultant agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Consultant or the State to liability. Consultant shall report any such event to the State immediately upon discovery.

Consultant's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Consultant's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Consultant to report any event to law enforcement or other entities under the requirements of any applicable law.

9. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Consultant breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Consultant at the time of termination may be adjusted to cover any additional costs to the State because of Consultant's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Consultant it is determined that Consultant was not at fault, then the Consultant shall be paid for eligible services rendered and expenses incurred up to the date of termination.

10. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

11. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be

expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

13. The Consultant will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

14. The Consultant may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Consultant will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Consultant will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements, and will adopt such review and inspection procedures as are necessary to assure such compliance.

15. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Susan Christian Executive Secretary, South Dakota Commission on Gaming on behalf of the State, and by Jeanne B. Mahoney, President, Center for Tox Services, on behalf of the Consultant, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

16. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

17. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signature affixed below.

STATE

BY: _____
Susan Christian
Executive Secretary

BY: _____
Mike Houdyshell
Secretary
Department of Revenue

CONSULTANT

BY:  _____
Jeanne B. Mahoney
President/Director
Center for Tox Services

- State Agency Coding(MSAS Center) 0293000633
- State Agency MSAS Company for which the contract will be paid 3037
- Object/ sub object MSAS account to which the voucher will be coded 520128000
- Name and phone number of contact person who can provide additional information regarding this contract Susan Christian 605-773-6051

EXHIBIT A

Consultant will provide official laboratory testing services for the South Dakota Commission on Gaming for the 2023 live horse racing season at Fort Pierre , South Dakota 57532.

All routine screening will be completed within 72 hours of receipt of the samples. Routine screening will involve the use instrumental screening and at a minimum, thirty ELISA kits per urine sample.

All required confirmatory tests will be completed three business days from the date the sample was declared "pending".

Results of routine test samples will be e-mailed or telefaxed to the Executive Secretary of the Commission within 72 hours of the lab's receipt of the sample, excluding Saturdays, Sundays, and Holidays. The original reports will be mailed on the same day that the e-mail or telefax is submitted or on the next business day.

Results determined from additional testing such as investigative samples will be reported, documented, and invoiced separately from routine test results.

Center for Tox Services (CTS) will maintain records and invoices pertaining to the work performed to the extent and in such detail to properly reflect:

- the nature and number of analyses performed on each sample
- the results of each negative and positive test analysis, and
- the data generated from the positive test samples.

The records will be stored for a period of one year after final payment is made. Records which exceed the contract period but relate to appeals, litigation, or the settlement of claims will be maintained until such cases are resolved. Records will be available only to the Executive Secretary and the staff of the Commission on Gaming under this contract.

CTS will provide the Commission's official veterinarian with the following supplies for the collection of urine samples :

- 12 ounce sterile, leak proof, tamper evident plastic specimen containers
- insulated, padlocked shipping containers to maintain security and sample integrity at nor more than four degrees centigrade for a minimum of 48 hours;
- "catch sticks" or other devices designed to hold the specimen container during the collection process.
- evidence seal tape
- sample number cards
- chain of custody forms

- At least 3 ice packs per shipping container

CTS will pay for the shipping of the above supplies and equipment to the official veterinarian's office and the shipment of samples from the veterinarian's office or track to the laboratory.



SOUTH DAKOTA COMMISSION ON GAMING

445 E. Capital Avenue • Pierre, SD 57501
(605) 951-9173 • dor.sd.gov/gaming

COOPERATIVE AGREEMENT

Between STANLEY COUNTY SHERIFF'S OFFICE
and SOUTH DAKOTA COMMISSION ON GAMING

The South Dakota Commission on Gaming agrees to reimburse the Stanley County Sheriff's Office for providing additional law enforcement services on the Stanley County Fairgrounds from 12:00 noon until 8:00 PM(CDT) on Saturday, October 7, 2023 and from 12:00 noon until 6:00 PM (CDT) on Sunday, October 8, 2023.

The Sheriff will assign one deputy sheriff and one patrol vehicle to the Stanley County Fairgrounds during the time and dates listed above for the purpose of enforcing state laws and local ordinances. At all times while performing these duties those personnel who are assigned by the Sheriff will remain employees of the Stanley County Sheriff.

The South Dakota Commission on Gaming agrees to reimburse the Stanley County Sheriff's Office a total amount not to exceed One Thousand Five Hundred (\$1,500.00) for the cost of providing these additional laws enforcement services.

Dated the _____ day of _____ 2023

BRADLEY RATHBURN
SHERIFF
STANLEY COUNTY

SUSAN CHRISTIAN
EXECUTIVE SECRETARY
S.D. COMMISSION ON GAMING



SOUTH DAKOTA COMMISSION ON GAMING

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

South Dakota Commission on Gaming
licensing for the June 13, 2023

Key License

Trista Stees
Robert Wood
Stuart Kopp

Virginia McDowell
Pierre Bouchut

Jette Nygaard-Andersen
Charles Wallin

Business License Renewal

Please see the attached 2-page Business License Renewal sheets for 2023-2024.

BUSINESS LICENSE RENEWAL – 2023-2024

OPERATOR, ROUTE OPERATOR & RETAIL LICENSES

AGT- ACES FULL INC	11022-OP	GR DWD LLC	0187-OP
	11159-RO	MINERAL PALACE 1	0299-RT
MR. WU'S 1	11575-RT	MINERAL PALACE 2	0300-RT
MR. WU'S 2	11576-RT	MINERAL PALACE 3	0301-RT
MR. WU'S 3	11577-RT	MINERAL PALACE 4	0540-RT
		MINERAL PALACE 5	0541-RT
BLACK DIAMOND CAPITAL LLC	0231-OP	MINERAL PALACE 6	0542-RT
GOLD DUST 1	0588-RT	MINERAL PALACE 7	0543-RT
GOLD DUST 2	0589-RT	MINERAL PALACE 8	0544-RT
GOLD DUST 3	0590-RT	MINERAL PALACE 9	0545-RT
GOLD DUST 4	0591-RT	MINERAL PALACE 10	0546-RT
GOLD DUST 5	0592-RT	MINERAL PALACE 11	0547-RT
GOLD DUST 6	0593-RT	MINERAL PALACE 12	0548-RT
GOLD DUST 7	0594-RT		
GOLD DUST 13 (777)	0610-RT	MAIN LEDGE LLC -MIDNIGHT STAR	12782-OP
GOLD DUST 14 (777)	0611-RT	MIDNIGHT STAR 1	12783-RT
GOLD DUST 15 (777)	0612-RT	MIDNIGHT STAR 2	12784-RT
BLUE SKY GAMING INC	0199-OP	SALOON GAMBLING INC	0103-OP
TIN LIZZIE 1	0313-RT	SALOON GAMBLING INC 1	0011-RT
TIN LIZZIE 2	0314-RT	SALOON GAMBLING INC 2	0063-RT
TIN LIZZIE 3	0315-RT	SALOON GAMBLING INC 3	0393-RT
TIN LIZZIE 4	0524-RT		
TIN LIZZIE 5	0525-RT	SGMSD, LLC	13176-OP
TIN LIZZIE 7	0604-RT	SILVERADO 1	13177-RT
TIN LIZZIE 8	0605-RT	SILVERADO 2	13178-RT
TIN LIZZIE 12	0609-RT	SILVERADO 3	13179-RT
TIN LIZZIE 13	0613-RT	SILVERADO 4	13180-RT
		SILVERADO 5	13181-RT
		SILVERADO 6	13182-RT
		SILVERADO 7	13183-RT
BY DEVELOPMENT INC	0196-OP	FRANKLIN 1	13184-RT
CADILLAC JACKS 1	0302-RT	FRANKLIN 2	13185-RT
CADILLAC JACKS 2	0303-RT	FRANKLIN 3	13186-RT
CADILLAC JACKS 3	0304-RT	FRANKLIN 4	13187-RT
CADILLAC JACKS 4	0526-RT	FRANKLIN 5	13188-RT
CADILLAC JACKS 5	0527-RT	FRANKLIN 6	13189-RT
CADILLAC JACKS 6	0528-RT		
CADILLAC JACKS 7	0529-RT	THE LODGE AT DWD -DWD RESORTS LLC	0217-OP
CADILLAC JACKS 8	0530-RT	THE LODGE AT DEADWOOD 1	0469-RT
CADILLAC JACKS 9 (SHS4)	0597-RT	THE LODGE AT DEADWOOD 2	0470-RT
CADILLAC JACKS 10	10860-RT	THE LODGE AT DEADWOOD 3	0471-RT
		THE LODGE AT DEADWOOD 4	0533-RT
DGR-ERNEST HOSPITALITY	12042-OP	THE LODGE AT DEADWOOD 5	0534-RT
DGR 1	12175-RT	THE LODGE AT DEADWOOD 6	0535-RT
DGR 2	12176-RT	THE LODGE AT DEADWOOD 7	0536-RT
DGR 3	12177-RT	THE LODGE AT DEADWOOD 8	0537-RT
DGR 4	12178-RT	THE LODGE AT DEADWOOD 9	0538-RT
DGR 5	12179-RT	THE LODGE AT DEADWOOD 10	0539-RT
DEALS PUBLICATIONS	0197-OP	ZCN LLC	11382-OP
CELEBRITY 1	11567-RT	DEADWOOD MT GRAND 1	11383-RT
CELEBRITY 2	11568-RT	DEADWOOD MT GRAND 2	11384-RT
CELEBRITY 3	12311-RT	DEADWOOD MT GRAND 3	11385-RT
		DEADWOOD MT GRAND 4	11386-RT
FIRST GOLD INC	0120-OP	DEADWOOD MT GRAND 5	11387-RT
	0011-RO	DEADWOOD MT GRAND 6	11388-RT
HORSESHOE 1	0079-RT	DEADWOOD MT GRAND 7	11389-RT
BLACKJACK 2	0081-RT		
FIRST GOLD 3	0208-RT		
FIRST GOLD 4	0567-RT		
FIRST GOLD 5	0568-RT		
FIRST GOLD 6	0569-RT		
FIRST GOLD 7	0570-RT		
FIRST GOLD 8	0571-RT		
FIRST GOLD 9	0572-RT		
FIRST GOLD 10	0573-RT		
FIRST GOLD 11	0584-RT		

OTHER ASSIGNED LICENSES

MIDWEST MOTELS OF DWD	11330-OP
BODEGA 1 – MIDWEST MOTELS OF DWD	11331-RT
BODEGA 2 – MIDWEST MOTELS OF DWD	11332-RT
BODEGA 3 – MIDWEST MOTELS OF DWD	11333-RT
BULLOCK 1 –DBUH, LLC	11985-RT
BULLOCK 2 –DBUH, LLC	11964-RT
CLARK & APEX, LLC	12150-OP
CLARK & APEX, LLC	12135-RT
CLARK & APEX, LLC	12134-RT
DOOR 4, LLC-FAIRMONT 1	12187-RT
DOOR 4, LLC-FAIRMONT 2	12188-RT
DOOR 4, LLC-FAIRMONT 3	12567-RT
GOLD COUNTRY INN-WILLY'S WILD WEST INC	0596-RT
HICKOKS 1-DHIH, LLC	11965-RT
HICKOKS 2-DHIH, LLC	11966-RT
HICKOKS 3-DHIH, LLC	11967-RT
MARTIN MASON BLDG 1	0317-RT
MARTIN MASON BLDG 2	0318-RT
SPORTSBOOK DWD-LANDMARK	12415-OP
SPORTSBOOK DWD 1	12416-RT
SPORTSBOOK DWD 2	12417-RT
SPORTSBOOK DWD 3	12418-RT
SPORTSBOOK DWD 4	13145-RT
SUPER 8 1 – GOLD RUN LLC	11110-RT
SUPER 8 2 – GOLD RUN LLC	11111-RT
SUPER 8 3 – GOLD RUN LLC	11112-RT
VFW	0017-RT
WOODEN NICKEL CASINO	0316-RT
DEADWOOD PARKING LOTS, LLC	0003-PO
LAMAR FEED & GRAIN, LLC	11636-PO
OPTIMA LLC-DBA TRUE BY HILTON	0005-PO
WWW, LLC	0002-PO
CALEDONIA LEDGE, LLC	12785-PO
KR DEADWOOD	12419-PO

OPERATOR, ROUTE OPERATOR & UNASSIGNED LICENSES

AGT-MICHAEL TRUCANO	0230-OP
AGT-MICHAEL TRUCANO	10858-RO
MICHAEL TRUCANO-OLD IRON HORSE INN	0583-RT
SHARON GOULD	10355-OP
1911 HOLDINGS	10020-OP
DAKAM MOHAMED DAKAM	0264-RT
CHRIS GOULD	0440-RT
SRK DEVELOPMENT	11623-RT
DEADWOOD LEGACY HOLDINGS	12000-RT
PAT ROBERTS (OLD BEST WESTERN)	0117-RT
MIDNIGHT STAR- LAMAR	11633-OP
MIDNIGHT STAR- LAMAR	11634-RT
MIDNIGHT STAR- LAMAR	11633-RT

DISTRIBUTORS

UNIVERSAL GAMING RESOURCES, LLC	0121-DS
DYNAMIC GAMING SOLUTIONS SD LLC	11328-DS

MANUFACTURERS

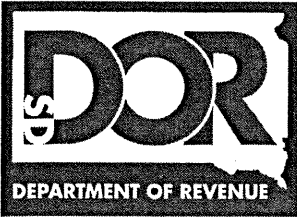
AGS, LLC	0130-MA
AINSWORTH GAMING TECHNOLOGY	11549-MA
ARISTOCRAT TECHNOLOGIES INC	0108-MA
ARUZE GAMING INC	0133-MA
BLUBERI GAMING	11968-MA
EVERI GAMES INC (MULTIMEDIA)	0131-MA
HARMS VENDING	0129-MA
IGT	0101-MA
INCREDIBLE TECHNOLOGIES INC	10735-MA
INTERBLOCK D.D.	0124-MA
JCM AMERICAN CORP	0132-MA
KONAMI GAMING INC	0128-MA
NOVOMATIC AG	11561-MA
NRT TECHNOLOGY CORP	0125-MA
PATRIOT GAMING & ELECTRONIC INC	10044-MA
LNW -SCIENTIFIC GAMES INC	0114-MA
TABLE TRAC INC	0127-MA

ASSOCIATED EQUIPMENT MANUFACTURER

AVALON GAMING INC	10877-AE
COUNTR GMBH	11376-AE
EVERI PAYMENTS	12300-AE
GAMING PARTNERS INTERNATIONAL USA	10983-AE
GAMING & ENTERTAINMENT TOUCH TECH	11146-AE
M3 TECHNOLOGY SOLUTIONS LLC	11293-AE
OVERLAY GAMING	12634-AE
PAVILION PAYMENTS GAMING SERVICES	11790-AE
QUANTUM SYSTEMS SOLUTIONS	11617-AE
STADIUM TECH	12342-AE

SPORTS WAGERING SERVICE PROVIDERS

BETMGM. LLC	12269-SW
DAKOTA GAMING GROUP, LLC	12215-SW
DAKOTA GAMING GROUP, LLC	12695-OP
DAKOTA GAMING GROUP, LLC	12625-RO
IGT	12241-SW
INTERNET SPORTS INTERNATIONAL	12253-SW



SOUTH DAKOTA COMMISSION ON GAMING

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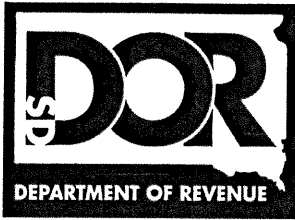
MEMORANDUM

DATE: May 29, 2023
TO: South Dakota Commission on Gaming
FROM: S/A Angela J. Wilkerson
SUBJECT: Trista J. Stees

Trista Stees is presently employed with the Deadwood Mountain Grand in Deadwood, SD. Ms. Stees was hired by the casino in October of 2022 to fill a floor supervisor position. She is applying for this licensure at her employer's request due to her position.

Ms. Stees received a Support License with the SDCG in October of 2022 and has had no disciplinary actions. She has never held a gaming license in any other gaming jurisdiction.

Recommendation: Upon completion of this background investigation, it is recommended that Trista Stees be **approved** for a Key license with the SDCG.



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MEMORANDUM

DATE: May 25, 2023
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Virginia McDowell

Name of Gaming Business associated with:

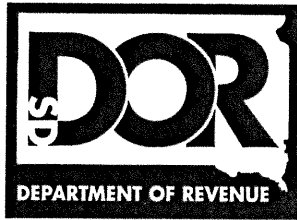
The applicant is seeking licensure because of their association with BetMGM. Virginia is listed as a director with Entain plc who has ownership in BetMGM, who conducts business in South Dakota.

Past Employment:

The applicant is listed as director with several companies such as Entain plc, Global Gaming Women, United Way of Greater St. Louis, St. Louis Sports Commission, St. Louis University, American Gaming Association, National Center for Responsible Gaming. Virginia has been on the board of directors at Entain plc since 2018.

Concerns: None

Recommendations: As a result of this background investigation, it is Recommended that Virginia McDowell be approved for a Key license.



SOUTH DAKOTA COMMISSION ON GAMING

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MEMORANDUM

DATE: May 25, 2023
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Jette Nygaard-Andersen

Name of Gaming Business associated with:

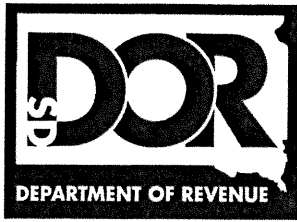
The applicant is seeking licensure because of their association with BetMGM. Jette is listed as a director with Entain plc who has ownership in BetMGM, who conducts business in South Dakota.

Past Employment:

The applicant is listed as director with several companies such as Entain plc, Nova Broadcasting Goup, FTV Prima Group, Turtle Entertainment and Astralis Goup. Jette has been on the Board of Directors with Entain since 2019.

Concerns: None

Recommendations: As a result of this background investigation, it is Recommended that Jette Nygaard-Andersen be approved for a Key license.



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MEMORANDUM

DATE: May 25, 2023
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Robert Wood

Name of Gaming Business associated with:

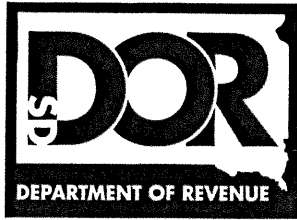
The applicant is seeking licensure because of their association with BetMGM. Robert is listed as a director with Entain plc who has ownership in BetMGM, who conducts business in South Dakota.

Past Employment:

The applicant is listed as director with several companies such as Entain plc, Coral Racing, Ladbroke Better and Gaming, SRL Holdings International. Robert has been on the board of directors at Entain plc since 2019.

Concerns: None

Recommendations: As a result of this background investigation, it is Recommended that Robert Wood be approved for a Key license.



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MEMORANDUM

DATE: May 25, 2023
TO: South Dakota Commission on Gaming
FROM: Mark Heltzel
SUBJECT: Pierre Bouchut

Name of Gaming Business associated with:

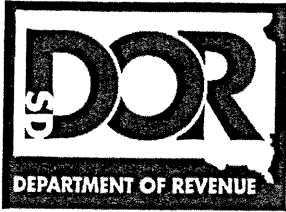
The applicant is seeking licensure because of their association with BetMGM. Pierre is listed as a director with Entain plc who has ownership in BetMGM, who conducts business in South Dakota.

Past Employment:

The applicant is listed as director with several companies such as Entain plc, GVC Holdings, Geopost, Albioma and Hammerson PLC.

Concerns: None

Recommendations: As a result of this background investigation, it is Recommended that Pierre Bouchut be approved for a Key license.



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MEMORANDUM

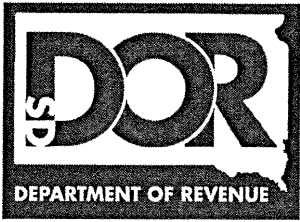
DATE: February 24, 2023
TO: South Dakota Commission on Gaming
FROM: S/A Angela J. Wilkerson
SUBJECT: Charles R. Wallin

Charles Wallin is presently employed with the Bodega in Deadwood, SD. Mr. Wallin has been with his present employer since January of 2022. He is applying for this licensure at his employer's request.

Wallin has held a Support license with the SDCG since December of 1998 – less two years that he did not renew his license (2008 and 2018). He has never held a gaming license in any other gaming jurisdiction. Mr. Wallin has a couple minor disciplinary actions in his file.

Recommendation: Upon completion of this background investigation, it is recommended that Charles Wallin be **approved** for a Key license with the SDCG.

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



SOUTH DAKOTA COMMISSION ON GAMING

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MEMORANDUM

DATE: 05/30/2023
TO: South Dakota Commission on Gaming
FROM: Brandon Snyder
SUBJECT: Stuart James Kopp
LIC. #: 13225-23-KY

The applicant is currently working for the Saloon #10 and Midnight Star as a Table Games Dealer. The applicant has had a support license since 2016, with a license suspension in 2020 and a fine for dealing with a card short. He is seeking a key license for his current position.

Concerns: Financial and personal concerns. See report.

Recommendation: Approval