

UNAPPROVED MINUTES

South Dakota Commission on Gaming Administrative Hearing, Public Hearing on Proposed Rule Change, and Quarterly Business Meeting Deadwood City Hall, Deadwood, South Dakota

MINUTES

November 15, 2018

At 1:00 p.m. the meeting was called to order. Commissioner Dennis McFarland, Commissioner Karen Wagner, Commissioner Greg Strommen, Commissioner Mike Wordeman, and Commissioner Karl Fischer were present. Staff members present for the meeting were Larry Eliason, Executive Secretary, Mike Shaw, Commission Attorney, and Craig Sparrow, Deputy Executive Secretary.

The meeting was called to order by Commissioner McFarland at 1:00 p.m.

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

Administrative Hearings

- Petition for Rehearing in the Matter of a Bad Beat Poker Dispute

Petition for Rehearing in the Matter of a Bad Beat Poker Dispute

The purpose of this hearing is to take action on the Petition for Review filed by Louie LaLonde on behalf of the Saloon No. 10. Representing Saloon No. 10 was Richard Pluimer, Attorney, and Marty Nelson, Poker Manager. John Fegueroa represented himself pro se. The Petitioner's request that the Commission reconsider its Decision and Order dated October 15, 2018. The decision on this matter was deferred to Executive Session.

General Meeting

Commissioner McFarland called the general meeting to order at 2:00 p.m.

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest to any items on the agenda were noted.

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September 19, 2018 Meeting

Commissioner Fischer made a motion to adopt the drafted minutes from the September 19, 2018 meeting. Commissioner Wordeman seconded the motion which carried unanimously.

Remarks by Secretary of Revenue Andy Gerlach

Andy Gerlach, Secretary of Revenue, gave a brief report on the recent activities of the Department of Revenue and the transition to the administration of the Governor elect.

Mr. Gerlach presented a proclamation from Governor Daugaard proclaiming that November 15, 2018 is Larry Eliason day.

Craig Sparrow, Deputy Executive Secretary, presented a plaque from the commission to staff to Larry Eliason for his years of service

Report on G2E

Larry Eliason, Executive Secretary, gave a brief report on the G2E conference. Deputy Executive Secretary Craig Sparrow and, Commissioner Wagner and Commissioner Strommen also attended the conference.

Stipulation of Assurance and Voluntary Compliance

August Hewson

A monetary penalty of \$100.00 is to be paid not later than November 30, 2018 was imposed for a complaint which was filed on October 23, 2018 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action by failing to bring his gaming license to work with him and by wearing the gaming license of another employee while on duty at First Gold, a licensed gaming establishment, on October 10, 2018.

Commissioner Wagner made a motion to accept the Stipulation of Assurance and Voluntary Compliance and the imposed monetary penalty. Commissioner Fischer seconded the motion which carried unanimously.

2019 Live Horse Racing Dates

Verendrye Benevolent Association

Racing Dates:

April 27, 2019

April 28, 2019

May 4, 2019

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May 5, 2019

North East Area Horse Racing, Inc.

Racing Dates:

May 18, 2019

May 19, 2019

May 25, 2019

May 26, 2019

Commissioner Wagner made a motion to grant the 2019 live racing dates as requested in the applications for Verendrye Benvolent Association and North East Area Horse Racing, Inc. Commissioner Fischer seconded the motion which carried unanimously.

2019 Renewal Pari Mutuel Business License Applications

2019 Simulcast Provider

Am West Entertainment, LLC

Commissioner Wagner made a motion to approve the renewal of AmWest Entertainment's simulcast provider license with the condition that on or before March 13, 2019 the company renew or extend the existing bond or replace it with a bond or surety which is acceptable to the Commission's legal counsel. Commissioner Wordeman seconded the motion which carried unanimously.

2019 Simulcast Site

Triple Crown Casino

Commissioner Wordeman made a motion to approve the renewal of Triple Crown's simulcast site license. Commissioner Wagner seconded the motion which carried unanimously.

Extension of Commission Designee on Hub Bond

In anticipation of the retirement of Executive Secretary Larry B. Eliason on January 9, 2019, and in recognition of Resolution No. 11-16-17-01. The Commission confirms that Larry B. Eliason shall continue to be authorized to act as the Commission's designee under Resolution No. 11-16-17-01.

Commissioner Wagner made a motion to approve Resolution No. 11-15-18-01. Commissioner Fischer seconded the motion which carried unanimously.

A copy of the Resolution is attached to these minutes

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Next Meeting Date

The next meeting is scheduled for March 27, 2019. Commissioner Wordeman made a motion to approve the March 2019 meeting date. Commissioner Strommen seconded the motion which carried unanimously.

Proposed 2019 Quarterly Meeting Dates

Executive Secretary Eliason recommended the following tentative quarterly meeting dates for 2019:

Wednesday, March 27, 2019
Wednesday, June 12, 2019
Wednesday, September 18, 2019
Wednesday, November 13, 2019

Commissioner Wagner made a motion to approve the tentative quarterly meeting dates for 2019. Commissioner Fischer seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key Renewals-2019

Deputy Executive Secretary Sparrow recommended the approval of the Key License renewals for 2019 as listed on pages 47-48A of the meeting packet.

Commissioner Wagner made a motion to approve the Key license renewals as recommended by staff. Commissioner Strommen seconded the motion which carried unanimously.

Business License Approval

Deputy Executive Secretary Sparrow recommended the approval of the following Business license:

- ✓ Approval of Avalon Gaming, Inc. as an owner of an Associated Equipment license **(10877-AE)** with the following individual as the Owner:

- Randy Beard **10878-OW**

Commissioner Fischer made a motion to approve the Business license as recommended by staff. Commissioner Wagner seconded the motion which carried unanimously.

Public Comment

Mike Trucano appeared before the Commission to thank Larry Eliason for his service to the Deadwood gaming industry. Mr. Trucano also wanted to comment on the Poker Bad Beat matter, but Commission Counsel objected to comments on that subject because the hearing had been concluded and that the attorney for Saloon # 10 was no longer in the room.

There were no further public comments.

A brief recess was taken at 2:55 p.m. and returned at 3:10 p.m.

Public Hearing on Proposed Rule Change

Variations of Play Triple Win 20

Commissioner Wagner made a motion to adopt the rule change as outlined on pages 49-63 of the meeting packet. Commissioner Wordeman seconded the motion which carried unanimously.

Executive Session

Commissioner Wagner made a motion to go into Executive Session. Commissioner Fischer seconded the motion which carried unanimously.

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

The Executive Session was concluded at 4:48 p.m.

Decision Petition of Rehearing in the matter of Bad Beat Poker Dispute

Commissioner Wagner made a motion to reconsider the order dated October 15, 2018 based on evidence heard during the hearing and to approve the decision made by the Executive Secretary that Saloon No. 10's posting regarding the Bad Beat Jackpot is in compliance. Commissioner Fischer seconded the motion.

On a roll call vote motion carried 3 to 2.

Commissioner Fischer	Aye
Commissioner Wordemen	Nay
Commissioner Strommen	Nay
Commissioner Wagner	Aye
Commissioner McFarland	Aye

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

The meeting was adjourned at 4:50 p.m.

Respectfully Submitted,

Kathy Fredericksen

Dennis McFarland, Chairman

Larry B. Eliason, Executive Secretary