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**South Dakota Commission on Gaming Quarterly Business Meeting
Administrative Hearings and Proposed Rules Hearing Meeting
Deadwood City Hall, Deadwood, South Dakota**

MINUTES
November 20, 2013

At 9:00 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Harry Christianson, Commissioner Dennis Duncan, and Commissioner Tim Holland were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement.

ADMINISTRATIVE HEARINGS

The administrative hearing was delayed until 11 a.m. The court reporter for the hearing was Carolyn Harkins. The following case was scheduled to be heard:

- SDCOG vs. Platinum Ventures, LLC d/b/a Four Aces

SDCOG vs. Platinum Ventures, LLC d/b/a Four Aces

Present for the hearing was Steve Comer, CEO, Platinum Ventures, LLC. The matters to be asserted are that during the period of January 2011 through December 2012, Platinum Ventures, LLC, d/b/a Four Aces did not keep accurate, complete and legible records of all transactions relating to revenue that is taxable or subject to fees under SDCL-72-7B and Commission on Gaming regulations as approved by the executive secretary and that these compliance issues were previously identified in two prior audits that covered the periods of July 2008 through December 2009 and January 2010 through December 2010. The matter was deferred to executive session.

Commissioners went into Executive Session at 11:20 a.m.

After coming out of Executive Session at 11:24 a.m. the commission took the following action.

Decision SDCOG vs. Platinum Ventures, LLC d/b/a Four Aces

Commissioner Christianson made a motion to impose a monetary penalty of \$25,000 and to suspend all gaming licenses in the name of Platinum Ventures for 15 days to be effective November 25, 2013. Commissioner Duncan seconded the motion which carried unanimously.

Later in the meeting Commissioner Christianson made a motion to amend the suspension date to be effective December 2, 2013. Commissioner Crew seconded the motion which carried unanimously.

Public Hearing on Proposed Rule Changes

Deadwood Gaming Rules

Minimum Bankroll

Commissioner Holland made a motion to decline the request to change 20:18:12.01:14. Commissioner Duncan seconded the motion which carried unanimously.

A brief recess was taken at 10:55 a.m. and the meeting resumed at 11 a.m.

Central Control and accounting systems

Commissioner Christianson made a motion to adopt the rule change 20:18:17:24.14 as presented. Commissioner Crew seconded the motion which carried unanimously.

Commissioner Crew made a motion to adopt the following rules as presented. Commissioner Holland seconded the motion which carried unanimously.

20:18:14.01:08, 20:18:17:24, 20:18:17:24.02, 20:18:17:33 – strike and insert three on page 14 of meeting packet, 20:18:18:15, 20:18:18:24:03, 20:18:18.01:13, 20:18:20:11, and 20:18:22:08.

Horse Racing Rules

Commissioner Crew made a motion to amend 20:04:01:13.02 to add to #3 the sentence to be forfeited in the event that the appellant fails to appear. Commissioner Holland seconded the motion which carried unanimously.

Commissioner Crew made a motion to adopt the following rule changes as presented. Commissioner Holland seconded the motion which carried unanimously.

20:04:19:20, 20:04:19:22, 20:04:20:102, 20:04:24:36, and 20:04:24:37

Commissioner Crew made a motion to adopt the following rule changes as presented. Commissioner Christianson seconded the motion which carried unanimously.

20:04:27:13.01, 20:04:27:13.02, 20:04:27:13.03, 20:04:27:13.04, 20:04:27:13.05, 20:04:27:13.06, 20:04:27:13.07, 20:04:27:13.08, 20:04:27:13.10, and 20:04:27:13.12

Commissioner Crew made a motion to amend 20:04:27:13.09., to insert after treated; on the association grounds. Commissioner Duncan seconded the motion which carried unanimously.

Commissioner Crew made a motion to adopt the rule change as presented 20:04:28:22. Commissioner Christianson seconded the motion which carried unanimously.

General Meeting

Upon conclusion of the administrative and proposed rule hearings Commissioner Kemnitz called the general meeting to order at 11:50 a.m.

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest were noted on the agenda.

September 11, 2013 Meeting

Commissioner Holland made a motion to adopt the drafted minutes from the September 11, 2013 meeting. Commissioner Crew seconded the motion which carried unanimously.

October 15, 2013 Special Meeting

Commissioner Holland made a motion to adopt the drafted minutes from the October 15, 2013 special meeting. Commissioner Crew seconded the motion which carried unanimously.

Poker Games and Tournaments

Commissioner Duncan made a motion to authorize the Executive Secretary to contract with a consultant for services with the commission staff and the casino operators to protect the integrity of the industry. Commissioner Kemnitz seconded the motion which carried unanimously.

A brief recess was taken at 12:06 p.m. and the general meeting resumed at 12:14 p.m.

Enhancement of Commission Exclusion List

Commissioner Duncan authorized staff to explore the amendment of SDCL 42-7B-61 to the factors considering the exclusion of a person from gaming or exclusion from a licensed establishment.

FY 2014 Horse Racing Regulatory Costs

Commissioner Christianson suggested the horse racing tracks be assessed for some of the regulatory costs.

Commissioner Crew made a motion to not assess any costs to the horse racing tracks and to give them the funds for this year but for future years will probably take a look at each year and that this would not be a permanent matter. Commissioner Holland seconded the motion which carried unanimously.

Report of Audit Findings of Live Race Season

The audit findings were presented to the commissioners but no action was taken on this matter.

Report of Audit Findings of Bettor Racing, Inc.

The audit findings were presented to the commissioners but no action was taken on this matter.

2014 Pari Mutuel Business License Applications

Multi Jurisdictional Totalizator Hub

Bettor Racing, Inc.

Commissioner Christianson made a motion to approve the renewal application for Bettor Racing, Inc. Commissioner Crew seconded the motion which carried unanimously.

Simulcast Provider

Am West Entertainment, LLC

Commissioner Christianson made a motion to approve the simulcast provider license renewal with the conditions as listed on page 80 of the meeting packet. Commissioner Duncan seconded the motion which carried unanimously,

Simulcast Sites

Time Out Lounge, and Triple Crown Casino

Commissioner Crew made a motion to approve the simulcast site license renewals. Commissioner Holland seconded the motion which carried unanimously.

Racing Licensing Matters

2014 Live Horse Racing Dates

**Verendrye Benevolent Association
North East Area Horse Racing, Inc.**

Commissioner Duncan made a motion to approve the racing dates scheduled for the Ft. Pierre and Aberdeen racing courses as listed on pages 83-99 in the meeting packet. Commissioner Crew seconded the motion which carried unanimously.

Allocations of Funds to Tracks for 2014 Racing Season

Commissioner Crew made a motion to approve resolution number 11-20-13-01. Commissioner Holland seconded the motion which carried unanimously.

Jockey Longevity Bonuses for 2014 Racing Season

Commissioner Christianson made a motion to approve resolution number 11-20-13-02. Commissioner Holland seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals

Director of Operations/Enforcement Sparrow recommended the approval of the following Key Licenses.

- ✓ Susan Day
- ✓ Mark Stratton
- ✓ Ashley Griffith

Key Renewals-2014

Director of Operations/Enforcement Sparrow recommended the approval of the Key License renewals for 2013 as listed on pages 103-105 and 105A in the meeting packet.

Business License Approval and Assignments

- ✓ Approve B.Y. Development, Inc. dba Cadillac Jack’s Gaming Resort as the owner of 1 additional retail license (0597-RT) and assign it to Springhill Suites Room 4 effective the beginning of December 2013.

Commissioner Crew made a motion to approve the Key License approvals, Key License renewals, and business license approval and assignment that staff recommended. Commissioner Duncan seconded the motion which carried unanimously.

2014 Quarterly Meeting Dates

Executive Secretary Eliason recommended the following tentative quarterly meeting dates for 2014:

- Wednesday, March 19th
- Wednesday, June 18th
- Wednesday, September 10th
- Wednesday, November 19th

Commissioner Christianson made a motion to have Mike Shaw, legal counsel, monitor the pending lawsuit and intervene if necessary. Commissioner Crew seconded the motion which carried unanimously.

No further business to be discussed.

Commissioner Christianson made a motion to adjourn the meeting. Commissioner Holland seconded the motion which carried unanimously.

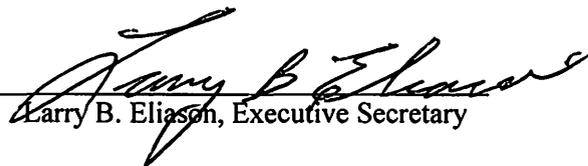
The meeting was adjourned at 12:45 p.m.

Respectfully Submitted,

Kathy Fredericksen



Ralph Kemnitz, Chairman



Larry B. Eliason, Executive Secretary