

**NORTH DAKOTA RACING COMMISSION**  
**Live and Telephone Meeting**  
**Bismarck Public Library, 515 N 5<sup>th</sup> Street, Room A, Bismarck, ND**  
**Thursday, December 15, 2011 – 10:00 a.m. (central time)**

**Call to Order:** Chairman Jim Ozburn called the meeting to order at 10:05 a.m.

**Present:** Chairman Ozburn, Commissioner Andrew Maragos, Commissioner Tom Senftner, Commissioner Steve Hartman, and Commissioner Ray Trottier. Also present were Racing Commission Director, Winston E. Satran and Administrative Staff Officer, Helen Tessmann.

**Others Present:** Daniel Westerholm, Don Grande, Mathew Fisk, Lorelle Moeckel, Wes Heinert, Jad Breiner, John Bubel, Ron Klein, Lee Bradford, L.J. Harsche, Tad Torgerson, Bill Nye, John Bracaglia, David Bernson, Leon A. Glasser, Blaine Malaterre, Douglas Plummer, Scott A. Horst, Dave Thompson, Roger Thompson, Tracy Potter and Gail Hrdlicka.

**AGENDA**

Chairman Ozburn announced there is a change in the Agenda. The reappointment of Director Satran will be added as Item #9A in the Agenda.

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to approve the changes to the Agenda as modified to add Item #9A – reappointment of Director Satran. All Commissioners voted aye and hearing no negative vote the motion passed.

1. **Approval of Minutes – October 18, 2011 Meeting**
2. **New Service Provider License Applications**
  - a. **SocialGaming Technologies, Inc. - Boonton, NJ**
  - b. **I.B.N., LLC – Fargo, ND**
3. **Approval of 2012 Licenses Applications**
  - a. **Totalizator Providers – Renewals**
    - (1) Am Tote International, Inc. – Renewal
    - (2) Las Vegas Dissemination Company, Inc. – Renewal
    - (3) Typhoon Gaming, Inc. – Renewal
    - (4) United Tote Company – Renewal
  - b. **Simulcast Service Providers – Renewals**
    - (1) Avatar Ventures, LLC – Renewal
    - (2) WatchandWager.com (European Wagering Services) - Renewal
    - (3) Global-Wagering Inc. - Renewal
    - (4) Lien Games Racing, LLC - Renewal
    - (5) MegaTote, LCC - Renewal
    - (6) MTPBets Limited - Renewal
    - (7) RaceBook, Inc. – Renewal
    - (8) Silks Corporation – Renewal
  - c. **Simulcast Sites (Site Operators/Charities) – Renewals**
    - (1) American Gold Gymnastics, Inc, Fargo  
Howard Johnson's Hotel, 301 3<sup>rd</sup> Ave. N, Fargo
    - (2) Development Homes Inc. – Grand Forks  
Rumors, 1720 S Washington, Grand Forks
    - (3) Fort Abraham Lincoln Foundation – Mandan
    - (4) Horse Race North Dakota – Fargo

- 10 N 8<sup>th</sup> Street, Fargo  
118 N Broadway, Suite #301 & #706, Fargo
- (5) ND Association for the Disabled, Inc. – Grand Forks  
Chips Casino & Lounge, Bismarck  
Howard Johnson’s Hotel, 301 3<sup>rd</sup> Ave. N, Fargo
- (6) ND Cowboy Hall of Fame – Bismarck/Medora
- (7) Turtle Mountain Band of Chippewa - Belcourt  
Sky Dancer Hotel & Casino, Belcourt
4. **Outdoor Recreation Development Association’s 2011 Race Meet Report**  
- Live Meet at Chippewa Downs, Belcourt, ND
5. **Audit - Chippewa Downs 2011 Race Meet**  
- Thompson’s Financial Services
6. **Live Race Date Requests for 2012**
- a. **Outdoor Recreation Development Association**  
Chippewa Downs – Belcourt, ND 10 race dates/5 weekends
- b. **Horse Race North Dakota**  
ND Horse Park – Fargo, ND 9 race dates/3 weekends
7. **Purse Fund Applications – 2012 Grant Requests = \$412,000**
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| a. <b><u>ORDA</u></b>                                | \$ 192,000 |
| b. <b><u>Horse Race North Dakota</u></b>             | \$ 180,000 |
| c. <b><u>ND Quarter Horse Racing Association</u></b> | \$ 15,000  |
| d. <b><u>ND Thoroughbred Association</u></b>         | \$ 10,000  |
| e. <b><u>ND TOBA</u></b>                             | \$ 15,000  |
8. **Promotion Fund Applications – 2012 Grant Requests = \$329,700**
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| a. <b><u>ORDA</u></b>  | \$ 177,200 |
| b. <b><u>Horse Race North Dakota</u></b>                             | \$ 140,000 |
| c. <b><u>ND Quarter Horse Racing Association</u></b>                 | \$ 2,500   |
| d. <b><u>ND Thoroughbred Association</u></b>                         | \$ 5,000   |
| e. <b><u>ND TOBA</u></b>   | \$ 2,500   |
| f. <b><u>ND Thoroughbred Association–2012 Horsemen’s Banquet</u></b> | \$ 2,500   |
9. **Director’s Reports**
- a. **Tucson Racing Symposium**
- b. **ND - The House of Representatives and The Senate - Budget Presentation**
- c. **ARCI – Request for approval of Mad Scramble**
- d. **Case Reviews concerning Pari-Mutuel and Lottery**
10. **ND Horsemen’s Council Issues or Recommendations**
11. **Any other business which may PROPERLY come before the commission**
12. **Adjournment**

## **MINUTES**

1. **Approval of Minutes – October 18, 2011 Meeting**

Previously, all commissioners received the October 18, 2011 meeting minutes to review.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to accept the minutes of October 18, 2011 meeting as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **New Service Provider License Applications**

a. **SocialGaming Technologies, Inc.** - Boonton, NJ

Director Satran stated that the TRPB report has been received and is clear. The alleged dispute between MTP Bets and SocialGaming Technologies has been addressed and Director Satran has sent a letter to both parties listing items that the Commission requires. No resolution has been determined at this time. John Bracaglia has emailed Director Satran stating that if a lawsuit should arise among the two parties, then a statement would be written stating that the North Dakota Racing Commission and the state of North Dakota would not be held liable in anyway.

Bill Nye and John Bracaglia provided the Commission with a picture of their Kiosks; they stated that they are the only owners of SocialGaming Technologies, Inc. and they hope to start operating in Mid-January or February 2012.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Trottier to approve the license for SocialGaming Technologies, Inc. contingent on the Commission receiving all the license requirements and law suit resolution documentation. Roll was taken: Senftner-Y, Trottier-Y, Maragos-Y, Hartman-Y, and Ozbun-Y. Motion passed.

**b. I.B.N., LLC** – Fargo, ND

Dr. Matt Fiske, President of I.B.N. introduced the members of I.B.N., LLC. Dr. Fiske explained some of the areas they want to pursue to market horseracing in North Dakota and in particular ND Horse Park in Fargo. Dr. Fiske and his investors would like to see the horse park become operational and successful in the future.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to approve the Service Provider and Account Deposit Wagering License Application from I.B.N., LLC. Roll was taken: Senftner-Y, Maragos-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

**3. Approval of 2012 Licenses Applications**

**a. Totalizator Providers – Renewals**

Director Satran reported on each Totalizator Provider. Director Satran explained who they are owned by and where they are located. Director Satran recommends to the Commission that the applications be approved for each Totalizator Company listed below:

(1) AmTote International, Inc. – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to approve the renewal license application from AmTote International, Inc. to operate as a Totalizator Provider in the State of North Dakota. Roll was taken: Maragos-Y, Senftner-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

(2) Las Vegas Dissemination Company, Inc. – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Trottier to approve the renewal license application from Las Vegas Dissemination Company, Inc. to operate as a Totalizator Provider in the State of North Dakota. Roll was taken: Maragos-Y, Trottier-Y, Senftner-Y, Hartman-Y and Ozbun-Y. Motion passed.

(3) Typhoon Gaming, Inc. – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Hartman to approve the renewal license application from Typhoon Gaming, Inc. to operate as a Totalizator Provider in the State of North Dakota. Roll was taken: Maragos-Y, Hartman-Y, Senftner-Y, Trottier-Y, and Ozbun-Y. Motion passed.

(4) United Tote Company – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to approve the renewal license application from United Tote Company to operate as a Totalizator Provider in the State of North Dakota. Roll was taken: Maragos-Y, Senftner-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

**b. Simulcast Service Providers – Renewals**

(1) Avatar Ventures, LLC – Renewal

Commissioner Senftner asked Director Satran and Administrative Staff Officer Tessmann to advise Avatar Ventures that simply putting “no changes” in the boxes of the application is not acceptable.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to approve the renewal license application from Avatar Ventures, LLC to operate as a Simulcast Service Provider in the State of North Dakota. Roll was taken: Senftner-Y, Maragos-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

(2) WatchandWager.com (European Wagering Services) – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Trottier to approve the renewal license application from WatchandWager.com to operate as a Simulcast Service Provider in the State of North Dakota. Roll was taken: Maragos-Y, Trottier-Y, Senftner-Y, Hartman-Y, and Ozbun-Y. Motion passed.

(3) Global-Wagering Inc. – Renewal

An application to renew was not received by the ND Racing Commission Office.

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to table any action today on the license renewal of Global-Wagering Inc., until the next Commission meeting in February 2012. All Commissioners voted aye and hearing no negative vote the motion passed.

(4) Lien Games Racing, LLC – Renewal

**A motion was made** by Commissioner Hartman and seconded by Commissioner Maragos to approve the renewal license application from Lien Games Racing, LLC to operate as a Service Provider & Account Deposit Wagering company in the State of North Dakota. Roll was taken: Hartman-Y, Maragos-Y, Senftner-Y, Trottier-Y, and Ozbun-Y. Motion passed.

(5) MegaTote, LCC - Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Hartman to approve the renewal license application from MegaTote, LLC to operate as a Service Provider & Account Deposit Wagering company in the State of North Dakota. Roll was taken: Maragos-Y, Hartman-Y, Senftner-Y, Trottier-Y, and Ozbun-Y. Motion passed.

(6) MTPBets Limited – Renewal

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to approve the renewal license application from MTPBets USA Inc., to operate as a Service Provider & Account Deposit Wagering company in the State of North Dakota. Roll was taken: Maragos-Y, Senftner-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

(7) RaceBook, Inc. – Renewal

An application to renew was not received by the ND Racing Commission Office.

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to table any action today on the license renewal of RaceBook, Inc., until the next Commission meeting in February 2012. All Commissioners voted aye and hearing no negative vote the motion passed.

(8) Silks Corporation – Renewal

Director Satran reported that the Racing Commission office has made several attempts to collect past due monthly tax payments from Silks Corporation. Silks Corporation owes money to Horse Race ND for equipment purchased for simulcasting.

Information was submitted by Silks to the Commission in which they proposed a new partnership. Information was not completed for their background check requirements with the TRPB. Silks did not follow through with this proposal.

Silks is also in violation of several administrative rule requirements necessary to hold a license in North Dakota. Silks Corporation failed to respond to the requirement to pay taxes on a monthly basis to the state of North Dakota and the ND Racing Commission.

**A motion was made** by Commissioner Maragos and seconded by Commissioner Hartman not to approve Silks Corporation's application to renew their license to operate as a Service Provider & Account Deposit Wagering company in the State of North Dakota. Roll call was taken: Maragos-Y, Hartman-Y, Senftner-Y, Trottier-Y and Ozbun-Y. Motion passed.

**An amended motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to have Director Satran consult with legal counsel assigned to the Commission prior to non-renewal of Silks Corporations license application. Roll call was taken: Senftner-Y, Maragos-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

\*\*Meeting Break 11:30 a.m.\*\*

\*\*Meeting Re-Convened 11:40 a.m.\*\*

**c. Simulcast Sites (Site Operators/Charities) – Renewals**

Director Satran reported on each application listed below and recommended to the Commission that the applications to renew Site Operator Licenses be approved.

- (1) American Gold Gymnastics, Inc., Fargo  
Howard Johnson's Hotel, 301 3<sup>rd</sup> Ave. N, Fargo

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to approve the renewal license application from American Gold Gymnastics, Inc., to operate as a Site Operator in the State of North Dakota. Roll was taken: Maragos-Y, Senftner-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

- (2) Development Homes Inc. – Grand Forks  
Rumors, 1720 S Washington, Grand Forks

**A motion was made** by Commissioner Senftner and seconded by Commissioner Trottier to approve the renewal license application from Development Homes, Incorporated, to operate as a Site Operator in the State of North Dakota. Roll was taken: Senftner-Y, Trottier-Y, Maragos-Y, Hartman-Y and Ozbun-Y. Motion passed.

- (3) Fort Abraham Lincoln Foundation – Mandan

**A motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to approve the renewal license application from Fort Abraham Lincoln Foundation, to operate as a Site Operator in the State of North Dakota. Roll was taken: Senftner-Y, Maragos-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

- (4) Horse Race North Dakota – Fargo  
10 N 8<sup>th</sup> Street, Fargo  
118 N Broadway, Suite #301 & #706, Fargo

**A motion was made** by Commissioner Maragos and seconded by Commissioner Hartman to approve the renewal license application from Horse Race North Dakota, to operate as a Simulcast Site Operator in the State of North Dakota. Roll was taken: Maragos-Y, Hartman-Y, Senftner-Y, Trottier-Y and Ozbun-Y. Motion passed.

- (5) ND Association for the Disabled, Inc. – Grand Forks  
Chips Casino & Lounge, Bismarck  
Howard Johnson's Hotel, 301 3<sup>rd</sup> Ave. N, Fargo

**A motion was made** by Commissioner Trottier and seconded by Commissioner Maragos to approve the renewal license application from North Dakota Association for the Disabled, Inc., to operate as a Simulcast Site Operator in the State of North Dakota. Roll was taken: Trottier-Y, Maragos-Y, Senftner-Y, Hartman-Y and Ozbun-Y. Motion passed.

- (6) ND Cowboy Hall of Fame – Bismarck/Medora

**A motion was made** by Commissioner Senftner and seconded by Commissioner Maragos to approve the renewal license application from ND Cowboy Hall of Fame to operate as a Site Operator in the State

of North Dakota. Roll was taken: Senftner-Y, Maragos-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

- (7) Turtle Mountain Band of Chippewa - Belcourt  
Sky Dancer Hotel & Casino, Belcourt

**A motion was made** by Commissioner Trottier and seconded by Commissioner Hartman to approve the renewal license application from Turtle Mountain Band of Chippewa to operate as a Simulcast Site Operator in the State of North Dakota. Roll was taken: Trottier-Y, Hartman-Y, Senftner-Y, Maragos-Y and Ozbun-Y. Motion passed.

**4. Outdoor Recreation Development Association's 2011 Race Meet Report**

- Live Meet at Chippewa Downs, Belcourt, ND

ORDA board member, Blaine Malatterre, presented the report on the finances of the 2011 race meet held at Chippewa Downs, Belcourt, ND.

**A motion was made** by Commissioner Trottier and seconded by Commissioner Maragos to accept the report submitted by the Outdoor Recreation Development Association for the 2011 Race Meet held at Chippewa Downs, Belcourt, ND. All Commissioners voted aye and hearing no negative vote the motion passed.

**5. Audit - Chippewa Downs 2011 Race Meet**

- Thompson's Financial Services

Director Satran reported on the audit results that were submitted to the Racing Commission from Thompson's Financial Services.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Trottier to accept the audit report for Chippewa Downs 2011 Race Meet prepared by Thompson's Financial Services. All Commissioners voted aye and hearing no negative vote the motion passed.

*Director Satran asked the Commission to move to Agenda Items #7 and #8 and review the state of the Purse Fund and Promotion Fund money before discussing requests for race dates.*

**6. Live Race Date Requests for 2012**

**a. Outdoor Recreation Development Association**

Chippewa Downs – Belcourt, ND 10 race dates/5 weekends

**b. Horse Race North Dakota**

ND Horse Park – Fargo, ND 9 race dates/3 weekends

Director Satran reviewed the requests being made by the different entities for Purse and Promotion Fund grant money and the actual amount available.

**7. Purse Fund Applications – 2012 Grant Requests = \$412,000**

<b>a. <u>ORDA</u></b>	\$ 192,000
<b>b. <u>Horse Race North Dakota</u></b>	\$ 180,000
<b>c. <u>ND Quarter Horse Racing Association</u></b>	\$ 15,000
<b>d. <u>ND Thoroughbred Association</u></b>	\$ 10,000
<b>e. <u>ND TOBA</u></b>	\$ 15,000

**8. Promotion Fund Applications – 2012 Grant Requests = \$329,700**

<b>a. <u>ORDA</u></b>	\$ 177,200
<b>b. <u>Horse Race North Dakota</u></b>	\$ 140,000
<b>c. <u>ND Quarter Horse Racing Association</u></b>	\$ 2,500
<b>d. <u>ND Thoroughbred Association</u></b>	\$ 5,000
<b>e. <u>ND TOBA</u></b>	\$ 2,500
<b>f. <u>ND Thoroughbred Association–2012 Horsemen's Banquet</u></b>	\$ 2,500

After a lengthy discussion among the public and commissioners regarding race dates, sponsorships and grant money requests, the Commission decided that Agenda Items #6, #7, and #8 would be held over

until the next Commission meeting in February 2012. This delay will give the race tracks time to obtain sponsorships and other means to help with the funds necessary to operate race meets in 2012.

**A motion was made** by Commissioner Maragos and seconded by Commissioner Senftner to postpone the Commission's decision to approve allocation of funds to each entity and approval of 2012 race dates for ND Horse Park in Fargo and Chippewa Downs at Belcourt race tracks until the next Commission meeting being held in February 2012. Roll call was taken: Maragos-Y, Senftner-Y, Hartman-Y, Trottier-Y and Ozbun-Y. Motion passed.

\*\*1:00 p.m. Commissioner Andrew Maragos left the meeting\*\*

**8A. Promotion Fund Applications**

**f. ND Thoroughbred Association–2012 Horsemen's Banquet \$ 2,500**

Scott Horst, with the ND Thoroughbred Association, asked the Commission if they could possibly make a decision on the Promotion Fund grant requested for \$2,500 for the 2012 Horsemen's Banquet that has been scheduled for February 18<sup>th</sup>, 2012. Since the next Commission meeting date in February has not been set, a decision today would determine if they have the banquet or not.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Trottier to approve Promotion Fund grant money to the ND Thoroughbred Association in the amount of \$2,500 for the 2012 Horsemen's Banquet. Roll call was taken: Senftner-Y, Trottier-Y, Hartman-Y and Ozbun-Y. Motion passed.

**9. Director's Reports**

**a. Tucson Racing Symposium**

**b. ND - The House of Representatives and The Senate - Budget Presentation**

**c. ARCI – Request for approval of Mad Scramble**

**d. Case Reviews concerning Pari-Mutuel and Lottery**

Director Satran reported on the meetings he attended in Tucson at the Racing Symposium; the presentation he made at the House of Representative and the Senate; and the discussion and presentation at ARCI in promoting the Mad Scramble gaming. Director Satran stated that extensive research went into determining if the Mad Scramble was considered Pari-Mutuel or a Lottery.

**9A. Reappointment of North Dakota Racing Director – Winston Satran**

Chairman Ozbun reported that Director Satran is appointed on an annual basis. The 2011 term ends December 31, 2011 and therefore a request for re-appointment is before the Commission.

**A motion was made** by Commissioner Hartman and seconded by Commissioner Trottier to approve re-appointment of Director Winston Satran for the calendar year of January 1, 2012 – December 31, 2012 as the ND Racing Commission's Director of Racing. Roll call was taken: Hartman-Y, Trottier-Y, Senftner-Y and Ozbun-Y. (Commissioner Maragos – absent) Motion passed.

**10. ND Horsemen's Council Issues or Recommendations**

No action at this time.

**11. Any other business which may PROPERLY come before the commission**

No action at this time.

**12. Adjournment**

**A motion was made** by Commissioner Senftner and seconded by Commissioner Trottier to approve the adjournment of the December 15, 2011 North Dakota Racing Commission meeting at 1:15 p.m. All Commissioners voted aye and hearing no negative vote the motion passed.