

**STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL**

**In the Matter of:
East Main Investments, LLC**

**SETTLEMENT AGREEMENT AND
STIPULATED ORDER**

I. PARTIES

This Settlement Agreement and Release (“Agreement”) is entered into between:

1. The State of North Dakota, acting by and through the North Dakota Office of Attorney General (the “OAG”); and
2. East Main Investments, LLC (“EMI”).

II. RECITALS

The following recitals form the basis for this Agreement:

1. Upon information and belief, EMI is a limited liability company whose principal address is 200 East Main Street Mandan, North Dakota 58554. Upon further information and belief, EMI is owned by Jason Arenz (“Arenz”), Wade Meschke (“Meschke”), and Kyle Carr (“Carr”).
2. Upon information and belief, EMI owns and operates the Silver Dollar Bar, located at 200 East Main Street, Mandan, North Dakota, 58554. The Silver Dollar Bar is an “alcoholic beverage establishment” as defined in Section 53-06.1-01(2) and, as such, is an eligible location, or site, where charitable gaming under Chapter 53-06.1 can be conducted by a licensed organization as that term is defined in Section 53-06.1-01(13).
3. On or about March 24, 2023, the Dakota Leathernecks Detachment #1419 (the “Leathernecks”), a licensed organization, and EMI applied for a gaming site authorization for the Silver Dollar Bar.
4. On or about July 11, 2023, the gaming site authorization application was approved by Mandan City Administrator, James Neubauer.

5. On or about September 18, 2023, Gaming Division Director Deb McDaniel, Investigator Robert Sanderson, and Assistant Attorney General Lori Mickelson met with Arenz, and his attorneys Attorney Arlen Ruff and Attorney Garrett Ludwig to discuss EMI's application for gaming site authorization. Director McDaniel stated that the application would be approved but explained to Arenz that a site cannot manage, conduct, or control gaming, require a charitable organization to conduct a particular type of game nor require a charitable organization to use its proceeds in a particular manner.

6. On or about September 22, 2023, the application for gaming site authorization was approved by the OAG.

7. The application for gaming site authorization sets forth "Terms of Rental Agreement" between the site owner or lessor, and the organization lessee. The terms of the rental agreement provide that "the Lessor agrees that no game will be directly operated as part of the lessor's business; and "the Lessor agrees not to interfere with or attempt to influence the lessee's selection of games, determination of prizes, including a bingo jackpot prize, or disbursement of net proceeds." Arenz, on behalf of EMI, signed the Terms of Rental Agreement on or about March 24, 2023.

8. On or about May 21, 2024, an application for gaming site authorization between the Mandan Baseball Club, Inc. and Silver Dollar Bar was approved by Mandan City Administrator, James Neubauer.

9. On or about July 3, 2024, the OAG issued a Notice of Violation to EMI (the "NOV"). The NOV informed EMI that through its investigation of the Mandan Baseball Club, Inc., the OAG determined EMI had engaged in conduct in violation of North Dakota Administrative Code §§ 99-01.3-02-05(2), 99-01.3-02-05(3)(b)-(c), and 99-01.3-02-06(2)(e)(7).

10. In particular, the OAG determined through communications between EMI and the Leathernecks, that EMI required the Leathernecks to select and operate a specific type of game (blackjack) and must use its net proceeds to contribute to the Silver Dollar Bar's softball and dart league fees. EMI conditioned the continuation of a lease agreement with the Leathernecks on these

requirements. The OAG determined that such conduct violates the Terms of Rental Agreement, or North Dakota Administrative Code §§ 99-01.3-02-05(2), 99-01.3-02-05(3)(b)-(c), and 99-01.3-02-06(2)(e)(7).

11. Pursuant to N.D.C.C. § 53-06.1-15(6) the OAG may for good cause prohibit a person from providing personal or business services to an organization or distributor.

12. The OAG and EMI (collectively the "Parties") have independently determined it is beneficial to enter into this Agreement.

III. AGREEMENT

1. The Parties wish to settle and resolve all of the claims that were raised, and all of the claims that could have been raised, that relate to the violations as set forth in the NOV without the need for a hearing, on the terms and conditions set forth in this Agreement.

2. For and in consideration of the mutual promises contained herein, the receipt of sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

- a. EMI fully admits, without exception, limitation, or condition, that EMI engaged in the conduct set forth in the Agreement, including as detailed in Section II, paragraph 10. EMI fully admits, without exception, limitation, or condition, that such conduct violates N.D. Admin. Code §§ 99-01.3-02-05(2) and 99-01.3-02-05(3)(b).
- b. EMI's site authorization will be suspended for one (1) year beginning July 1, 2024, the date the NOV was issued to EMI.
- c. Six (6) months of the one (1) year suspension will be deferred for a period of three (3) years. Should EMI (including any of its owners, agents, or representatives) fail to comply with the terms of this Agreement or commit any further violations of the gaming laws, rules, or regulations within the three (3) year period, any and all site authorizations held by EMI will be immediately terminated and/or revoked. EMI agrees to waive its right to a hearing under N.D.C.C. ch. 28-32 or any appeal therefrom to contest the termination of its site authorizations if a violation occurs within the three (3) year period.

- d. EMI will pay a fine in the amount of attorney's fees. Within seven (7) days of execution of this Agreement, counsel for the OAG (Attorney Titus) will email to EMI's counsel of record (Attorney Ruff) the final amount of attorney's fees. Full payment of the fine shall be made within ten (10) days of the email. Payment shall be made by delivering a draft payable to the "Office of Attorney General" to the OAG's counsel of record (Attorney Titus).
 - e. EMI, including any of its owners, agents, or representatives, must refrain from making any statements contrary to the terms and acknowledgements of this Agreement.
3. The Parties mutually agree to remise, acquit, release, and forever discharge the Parties of and from any and all past, present, or future claims, actions, causes of action, demands, obligations, damages, or costs of any nature whatsoever, regardless of theory of recovery, other than any action to enforce any provision of this Agreement, which the Parties may now have, or hereafter have, or claim to have against each other, for or by reason of the allegations in, or arising out of, Petitioner's Complaint.
4. This Agreement supersedes and terminates all previous written or oral agreements and communications between the Parties.
5. No breach of any provision of this Agreement can be waived by any party to this Agreement unless in writing. Waiver of any breach by a party shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement.
6. The Parties to this Agreement acknowledge the terms of this Agreement have been completely read and are fully understood and voluntarily accepted for the purpose of making a full and final compromise, adjustment, and settlement of Petitioner's Complaint. Each party acknowledges and represents the party has been represented by counsel or has had the opportunity to seek counsel of the party's choosing, in connection with the respective considerations and execution of this Agreement. Each party represents and declares that in executing this Agreement, the party has relied solely upon the party's own judgment, belief, and knowledge.

7. Each party represents and declares the party has not been influenced to any extent whatsoever in executing this Agreement by representations or statements except those contained in, or referred to, in this document.

8. There are no covenants, promises, undertakings, or understandings outside this Agreement other than those specifically set forth.

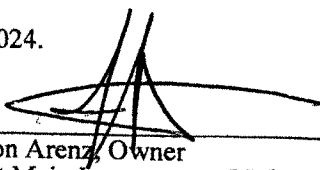
9. This Agreement may be executed in counterparts, each of which shall be deemed an original and shall be deemed duly executed upon the signing of all separate counterparts.

10. This Agreement is governed by the substantive laws of the State of North Dakota without regard to conflicts of law principles.


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Dated this 20 day of November, 2024.

By:


Jason Arenz, Owner
East Main Investments, LLC

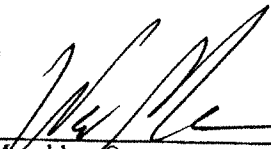
This record was acknowledged before me
this 20th day of November, 2024.


Notary Public

AMANDA MERNITZ
Notary Public
State of North Dakota
My Commission Expires June 29, 2026

Dated this 20 day of November, 2024.

By:


Wade Meschke, Owner
East Main Investments, LLC

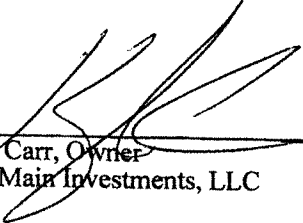
This record was acknowledged before me
this 20th day of November, 2024.


Notary Public

AMANDA MERNITZ
Notary Public
State of North Dakota
My Commission Expires June 29, 2026

Dated this 20 day of November, 2024.

By:


Kyle Carr, Owner
East Main Investments, LLC

This record was acknowledged before me
this 20th day of November, 2024.

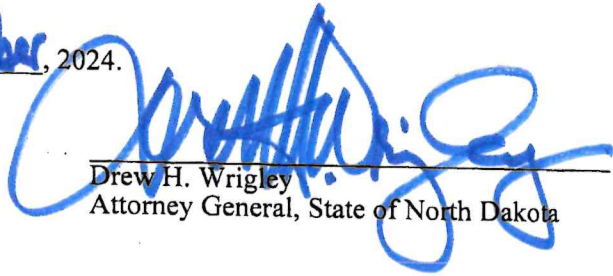

Notary Public

AMANDA MERNITZ
Notary Public
State of North Dakota
My Commission Expires June 29, 2026

ORDER

The Attorney General of the State of North Dakota agrees to the terms of this Agreement.
It is so ORDERED.

Dated this 22 day of November, 2024.



Drew H. Wrigley
Attorney General, State of North Dakota