

CALIFORNIA GAMBLING CONTROL COMMISSION  
300 CAPITOL MALL, SUITE 300, SACRAMENTO, CA 95814  
P.O. BOX 526013, SACRAMENTO, CA 95852-6013  
(916) 322-3095 · FAX (916) 322-5441  
[WWW.CGCC.CA.GOV](http://WWW.CGCC.CA.GOV)

714 P STREET  
SACRAMENTO, CA 95814

---

## MINUTES OF DECEMBER 19, 2001 COMMISSION MEETING

---

### OPEN SESSION

Chairman Hensley called the meeting of December 19, 2001, to order at 1:32 p.m. with Chairman Hensley and Commissioners Sasaki, Smith, and Palmer present.

Staff Present: Gary Qualset, Deputy Director Licensing and Compliance Division; Cara Podesto, Manager, Application Section; Peter Melnicoe, Chief Counsel; and Herb Bolz, Senior Legal Counsel and Regulations Coordinator.

The Pledge of Allegiance was recited.

Commissioner Sasaki moved to approve the December 5, 2001, Commission Meeting Minutes. Commissioner Smith seconded the motion, which was unanimously adopted.

### DECISION ITEMS

1. Applications for Work Permit:
  - a. Empire Sportsmen's Association:  
Alanis, Manuel  
Gomes, Connie  
Lam, Ben  
Quillen, Gregory
  - b. Jok-Erz Wild Casino:  
Duong, Quy
  - c. Pacific News Card Casino:  
Camozzi, Richard  
Herrera, Everett

Deputy Director Qualset indicated that both Division of Gambling Control and Commission staff recommend approval of Item 1 sub-items a, b, and c. Commissioner Smith moved to approve Item 1 sub-items a, b, and c. Commissioner Palmer seconded the motion, which was unanimously adopted.

2. Application for Work Permit - Request to Transfer:
  - a. Napa Valley Casino:  
Shields, Gloria

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the request to transfer work permit on Item 2a, Gloria Shields. Commissioner Palmer moved to approve Item 2a. Commissioner Sasaki seconded the motion, which was unanimously adopted.

3. Application for Work Permit – Request to Withdraw:
  - a. Brooks Oceana Cardroom:  
Argentieri, Salvatore

Deputy Director Qualset indicated that Commission staff recommended an approval without prejudice of Item 3a, Salvatore Argentieri's request to withdraw his application for work permit. Commissioner Sasaki moved to approve Item 3a. Chairman Hensley seconded the motion, which was unanimously adopted.

4. Applications for Renewal of State Gambling License:
  - a. Casino Club: Ileana Harris, Sole Proprietor.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of state gambling license for Item 4a, Casino Club. Commissioner Smith moved to approve renewal of the license for Item 4a. Commissioner Palmer seconded the motion, which was unanimously adopted.

- b. Club San Rafael: Pete's 881 Club, Inc., A California Corporation.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of state gambling license for Item 4b, Club San Rafael. Commissioner Sasaki moved to approve renewal of the license for Item 4b. Commissioner Smith seconded the motion, which was unanimously adopted.

- c. El Resbalon: Marcos Cabrera, Sole Proprietor.

Deputy Director Qualset indicated that Commission staff recommended approval of a three-month temporary license for Item 4c, El Resbalon, authorizing the club to continue operating through February 28, 2002, and pending completion of the Division of Gambling Control's investigation and subsequent recommendation. Deputy Director Qualset further indicated that although El Resbalon's license had expired on November 30, 2001, the club had continued operating, and issuance of the temporary license would be retroactive to December 1, 2001. Commissioner Smith moved to approve a three-month temporary license

effective December 1, 2001, through February 28, 2002, with a stipulation that the Division of Gambling Control proceed with a separate enforcement action against El Resbalon for continuing in its business operation after the license had expired. Commissioner Palmer seconded the motion, which was unanimously adopted.

d. Frank's Bavarian Inn: Frank Fossett, Sole Proprietor.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of state gambling license on Item 4d, Frank's Bavarian Inn. Commissioner Sasaki moved to approve renewal of the license on Item 4d. Commissioner Smith seconded the motion, which was unanimously adopted.

e. Oaks Card Club: A California Limited Partnership.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of state gambling license on Item 4e, Oaks Card Club. Commissioner Palmer moved to approve renewal of the license on Item 4e. Commissioner Sasaki seconded the motion, which was unanimously adopted.

f. The Mint: James Podergois, Sole Proprietor.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommended approval of a three-month temporary license on Item 4f, The Mint, authorizing the club to continue operating through March 31, 2002, pending completion of the Division of Gambling Control's investigation and their subsequent recommendation. Commissioner Palmer moved to approve a three-month temporary license effective December 31, 2001, through March 31, 2002. Commissioner Sasaki seconded the motion, which was unanimously adopted.

5. Applications for State Gambling License:

a. Bay 101: Sutters Place, Inc., A California Corporation.

Deputy Director Qualset indicated that the Division of Gambling Control recommended approval of the application for state gambling license and change of ownership on Item 5a, Bay 101. Deputy Director Qualset further indicated that Commission staff recommended forwarding a request to the Division of Gambling Control for additional information pertaining to the background investigations and local ordinance issues and, pending a response from the Division, granting a six-month temporary approval of the license. Commissioner Smith moved to approve a six-month temporary license effective January 1, 2002, through May 31, 2002, for Item 5a. Commissioner Sasaki seconded the motion, which was unanimously adopted.

b. Bicycle Club: The Bell Gardens Bicycle Club, Joint Venture.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for state gambling license on Item 5b, Bicycle Club. Commissioner Smith moved to approve the state gambling license on Item 5b. Commissioner Palmer seconded the motion, which was unanimously adopted.

c. Cameo Club: Lewis & Lewis, Inc., A California Corporation.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for state gambling license on Item 5c, Cameo Club. Commissioner Sasaki moved to approve the state gambling license on Item 5c. Commissioner Smith seconded the motion, which was unanimously adopted.

d. Crystal Park Casino: California Casino Management Inc., A California Corporation.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for state gambling license on Item 5d, Crystal Park Casino. Commissioner Sasaki moved to approve the state gambling license on Item 5d. Commissioner Palmer seconded the motion, which was unanimously adopted.

e. Hollywood Park Casino: Century Gaming Management Inc., A California Corporation.

Deputy Director Qualset indicated that the Division of Gambling Control recommended approval of the application for state gambling license on Item 5e, Crystal Park Casio. Deputy Director Qualset further indicated that Commission staff recommended approval of a state gambling license that contained a notation on the license indicating the casino's requirement to operate in compliance with applicable governing laws. Chairman Hensley moved to approve the state gambling license for Item 5e, with concerns noted by Commission staff annotated on the license. Commissioner Sasaki seconded the motion, which was unanimously adopted.

f. Lucky Lady: Stanley Penn, Sole Proprietor.

Deputy Director Qualset indicated that the Division of Gambling Control recommended approval of the application for state gambling license on Item 5f, Lucky Lady. Deputy Director Qualset further indicated that Commission staff recommended forwarding a request to the Division of Gambling Control for additional information concerning local ordinance compliance and, pending a response from the Division, granting a six-month temporary approval of the state gambling license. Commissioner Palmer moved to approve a six-month

temporary license through June 30, 2002, on Item 5f. Commissioner Smith seconded the motion, which was unanimously adopted.

- g. Village Club: Harvey Frank Souza, Sole Proprietor.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for state gambling license on Item 5g, Village Club. Commissioner Smith moved to approve the state gambling license on Item 5g. Commissioner Sasaki seconded the motion, which was unanimously adopted.

- 6. Applications for State Gambling License—Request to Withdrawal:
  - a. Curt A. Christian, Jok-Erz Wild Casino.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice on Item 6a, Jok-Erz Wild Casino's request to withdraw application for state gambling license. Commissioner Sasaki moved to approve without prejudice the request to withdraw the application for state gambling license on Item 6a. Commissioner Palmer seconded the motion, which was unanimously adopted.

- b. Michael A. Christian & Linda S. Christian (Spouse), Sahara Dunes Casino.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice on Item 6b, Sahara Dunes Casino's request to withdraw application for state gambling license. Commissioner Smith moved to approve without prejudice the request to withdraw the application for state gambling license on Item 6b. Commissioner Palmer seconded the motion, which was unanimously adopted.

- 7. Proposed Commission Meeting Schedule.

Deputy Director Qualset presented Item 7 to the Commission to provide notice of the proposed Commission Meeting schedule for the first six months of Year-2002.

- 8. Approval of Initiation of the Process of Making Permanent the Emergency Regulations Adopted in November 2001 Concerning: (1) Temporary Work Permit and Changes in Place of Employment and (2) Grounds of Denial of Work Permits. If Approved, Public Input Will be Solicited Via a Notice Mailed to the Commission's Rulemaking Mailing List and Published in the California Regulatory Notice Register.

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented Item 8 to the Commission concerning approval of the initiation of the process to make

permanent **the** emergency **regulation of**: 1) Temporary Work Permit and Changes in Place of Employment; and (2) Grounds of Denial of Work Permits. Commissioner Sasaki moved to approve the initiation of the process to make permanent the emergency regulations. Commissioner Smith seconded the motion, which was unanimously adopted.

9. Delegation of Authority to Approve the Annual Rulemaking Calendar Required by Government Code C. § 11076.6.

Chairman Hensley announced that Commission action on Item 9, for the Delegation of Authority to approve the Annual Rulemaking Calendar would be continued to the January 23, 2002, Commission Meeting.

10. Revenue Sharing Trust Fund Report to the Legislature and Distribution of Funds to Non-Compact Tribes.

Deputy Director Qualset presented Item 10 to the Commission for approval of the Revenue Sharing Trust Fund (RSTF) report to the Legislature and distribution of funds to Non-Compact Tribes. A copy of the RSTF report to the Legislature is attached to the December 19, 2001, Commission meeting minutes and referenced as Attachment A.

Deputy Director Qualset indicated that staff recommended that the Commission: (1) approve the report to the Legislature for a proposed \$15.6 million partial distribution of the \$22.65 million unaudited but apparently legitimate gaming device license fee payments and interest income in the RSTF to the listed tribes that are determined to be eligible in accordance with the Commission's identified methodology for determining a Non-Compact Tribe, (2) indicate that it is neither affirming at this time the number of gaming devices for which license fees may have been paid, or the manner in which the Compact Tribes calculated their quarterly fee payments, and (3) retain a fiscally-prudent reserve of approximately \$7.0 million in the RSTF until the basis for the license fee payments and the conflicting license fee payment methodologies are resolved, and until the Commission has complete, audited information on which to base a complete distribution.

Commissioner Smith moved to approve the RSTF report to the Legislature and distribution of funds to Non-Compact Tribes. Commissioner Sasaki seconded the motion, which was unanimously adopted.

## **PUBLIC COMMENT**

Chairman Hensley announced that the meeting was open for public comment.

John Sustaita, Gambling Consultant, presented comments to the Commission.

**CONSENT CALENDAR ITEMS**

None.

**CLOSED SESSION**

Chairman Hensley announced that the Commission would be going into closed session. At 2:47 p.m. the Commission adjourned to closed session after Commission Counsel stated that there would be no discussions concerning litigation, but personnel issues under Government Code Section 11126(a)(1) would take place.

**RECONVENE OPEN SESSION**

Chairman Hensley reconvened the open session at 3:20 p.m. and indicated there were no announcements from the closed session. Commissioner Smith moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 3:22 p.m.