

CALIFORNIA GAMBLING CONTROL COMMISSION
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MINUTES OF JANUARY 9, 2002 COMMISSION MEETING

OPEN SESSION

Chairman Hensley called the meeting of January 9, 2002, to order at 1:36 p.m. with Chairman Hensley and Commissioners Sasaki, Smith, and Palmer present.

Staff Present: Gary Qualset, Deputy Director Licensing and Compliance Division; Peter Melnicoe, Chief Counsel.

The Pledge of Allegiance was recited.

Commissioner Palmer moved to approve the December 19, 2001, and December 24, 2001, Commission Meeting Minutes. Commissioner Sasaki seconded the motion, which was unanimously adopted.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Empire Sportsmen's Association:
Phavacichane, Boutdy
 - b. Pacific News Card Casino:
Quinto, Samuel
Varnell, Clifford
Williams, Dennis
Wright, Shauna

Deputy Director Qualset announced to the Commission that Item 1b. Dennis William's application for a work permit was being removed from the agenda because Commission staff had received a request from Mr. Williams to withdraw his application and that Mr. William's request to withdraw his application for a work permit would be presented to the Commission for consideration at a future Commission meeting.

Deputy Director Qualset indicated that both Division of Gambling Control and Commission staff recommend approval of the work permit applications for Item 1a. Boutdy Phayacichane, and Item 1b. Samuel Quinto, Clifford Varnell, and Shauna Wright. Commissioner Sasaki moved to approve the applications for work permit for Item 1a. Boutdy Phayacichane, and Item 1b. Samuel Quinto, Clifford Varnell, and Shauna Wright. Commissioner Smith seconded the motion, which was unanimously adopted.

2. Application for State Gambling License–Request to Withdraw:
 - a. Leonardo Lopez: L.A. Casino.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request to withdraw application for state gambling license for Item 2a. L.A. Casino. Commissioner Smith moved to approve without prejudice the request to withdraw the application for state gambling license for Item 2a. Commissioner Sasaki seconded the motion, which was unanimously adopted.

3. Gambling Establishment Request for Sale:
 - a. Leo and Ivy Chu: Point Walker, Inc., dba Lucky Derby Casino.
 - b. Peter Richards: Alamo Investments, Inc., dba Jok-Erz Wild Casino.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the sales transaction of Item 3a. Point Walker, Inc., doing business as Lucky Derby Casino. Commissioner Palmer moved to approve the sales transaction of Item 3a. Point Walker, Inc., doing business as Lucky Derby Casino. Commissioner Smith seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the sales transaction of Item 3b. Alamo Investments, Inc., doing business as Jok-Erz Wild Casino. Commissioner Smith moved to approve the sales transaction of Item 3b. Alamo Investments, Inc., doing business as Jok-Erz Wild Casino. Commissioner Sasaki seconded the motion, which was unanimously adopted.

4. Consideration of Proposals for Uniform Statewide Gaming Regulations for Submission to the Tribal-State Association Pursuant to Section 8.4.1 of the Tribal-State Gaming Compacts:
 - Content of application forms for determination of suitability for licensure of key employees pursuant to Compact section 6.5.6.

- Use of a registration procedure as the State Certification Process under Compact section 6.5.6 for certain large institutional investors that are financial sources for tribal gaming facilities or operations.
- Interpretation of Compact section 6.5.6 to exclude holders of qualifying letter-of-credit-backed bonds.

Chief Counsel Peter Melnicoe presented Item 4 to the Commission for discussion on the proposals for uniform statewide gaming regulations for submission to the Tribal-State Association pursuant to Section 8.4.1 of the Tribal-State Gaming Compacts concerning: use of a registration procedure as the State Certification Process under Compact section 6.5.6 for certain large institutional investors that are financial sources for tribal gaming facilities or operations; and interpretation of Compact section 6.5.6 to exclude holders of qualifying letter-of-credit-backed bonds.

Chief Counsel Melnicoe indicated that discussion on Item 4 concerning content of application forms for determination of suitability for licensure of key employees pursuant to Compact section 6.5.6, was being continued for discussion at a future Commission meeting to allow for further drafting of the regulation.

Kent Richey, Faegre & Benson, LLP, provided comments to the Commission concerning the regulation proposals.

Norm DeRosier, Commissioner, Viejas Band of Mission Indians, provided comments to the Commission concerning the regulation proposals.

Jake Coin, Executive Director, California Nations Indian Gaming Association, provided comments to the Commission concerning the regulation proposals.

PUBLIC COMMENT

Commissioner Hensley opened the public comment period after announcing that three of the meetings scheduled for January concerning methodology of payment into the Revenue Sharing Trust Fund had been postponed to February and the Commission would be scheduling meetings concerning licensing of gaming devices in March.

Brian Wallace, Chairman, Washoe Tribe of Nevada and California provided comments to the Commission and presented to the Commission a letter dated December 23, 2001, regarding distribution of funds from the Indian Gaming Revenue Sharing Trust Fund. A copy of the December 23, 2001, letter has been incorporated into these minutes and referenced as Exhibit A.

CONSENT CALENDAR ITEMS

None.

CLOSED SESSION

Chairman Hensley announced that the Commission would be going into closed session. At 2:30 p.m. the Commission adjourned to closed session after Commission Counsel stated that discussions concerning litigation would take place under Government Code Section 11126(c) and 11126(e), and personnel issues under Government Code Section 11126(a)(1).

RECONVENE OPEN SESSION

Chairman Hensley reconvened the open session at 3:43 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 3:45 p.m.