

CALIFORNIA GAMBLING CONTROL COMMISSION
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MINUTES OF FEBRUARY 26, 2002 COMMISSION MEETING

OPEN SESSION

Chairman Hensley called the meeting of February 26, 2002, to order at 1:35 p.m. with Chairman Hensley and Commissioners Sasaki, Smith, and Palmer present.

Staff Participating: Gary Qualset, Deputy Director Licensing and Compliance Division; Peter Melnicoe, Chief Counsel; Cara Podesto, Manager Application Section.

The Pledge of Allegiance was recited.

Commissioner Sasaki moved to approve the February 13, 2002, Commission Meeting Minutes. Commissioner Smith seconded the motion, which was unanimously adopted.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Sonoma Joe's:
 - Cardenas, Melinda
 - Salverda, Shane
 - Sharpe, Peggy
 - Vega, Miguel

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for work permit for Melinda Cardenas, Shane Salverda, and Peggy Sharpe. Commissioner Smith moved to approve the applications for work permit for Melinda Cardenas, Shane Salverda, and Peggy Sharpe. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that Miguel Vega was removed from Item 1a to be considered separately in order to correct an error contained in the agenda by replacing Sonoma Joe's with Poker Flats Casino as the correct casino for Miguel

Vega's work permit. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for work permit for Miguel Vega. Commissioner Palmer moved to approve the application for work permit for Miguel Vega. Commissioner Sasaki seconded the motion, which was unanimously adopted.

2. Applications for Key Employee License:

- a. Oaks Card Club:
 - Andreatta, Martin
 - Hirao, Wayne
 - LaRosa, John
 - Nita, Glenn

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee license. Deputy Director Qualset recommended that the Commission consider all of the license applications in Item 2a with one motion. Commissioner Palmer moved to approve all of the license applications in Item 2a. Commissioner Smith seconded the motion, which was unanimously adopted.

3. Applications for Renewal of State Gambling License

- a. Central Coast, Grover Beach: David & Theresa Stearns, Sole Proprietor.
- b. Central Coast, Paso Robles: David Stearns, Sole Proprietor.

Deputy Director Qualset indicated that Item 3a. Central Coast, Grover Beach and Item 3b. Central Coast, Paso Robles were previously issued temporary license pending meetings between the Division of Gambling Control and owners, David and Theresa Stearns regarding previous Penal Code violations. Deputy Director Qualset indicated that the matter had been resolved and Commission staff had received the Division of Gambling Control's recommendation. Deputy Director Qualset further indicated that both the Division of Gambling Control and Commission staff recommend full approval of the license for the remaining license term through November 30, 2002, for Central Coast, Grover Beach, and October 31, 2002, for Central Coast, Paso Robles. Commissioner Sasaki moved to approve the application for state gambling license for the remainder of the license term for Item 3a. and Item 3b. Commissioner Smith seconded the motion.

Chairman Hensley announced that a motion had been made and seconded and asked if there were any comments. John Sustaita, Gambling Consultant, asked the Commission if it had any information whether Central Coast, Paso Robles was presently in operation. Cara Podesto, Manager, provided Mr. Sustaita information pertaining to the operating status of Central Coast, Paso Robles.

Chairman Hensley called for a vote and the motion was unanimously adopted.

c. El Resbalon: Marcos Cabrera, Sole Proprietor.

Deputy Director Qualset indicated that Item 3c. El Resbalon was previously issued a temporary license pending completion of the background investigation by the Division of Gambling Control. Deputy Director Qualset further indicated that Commission staff recommends approval of an additional three-month temporary license through May 31, 2002, while the Division of Gambling Control is still conducting the background investigation. Commissioner Smith moved to approve an additional three-month temporary license through May 31, 2002, for Item 3e. El Resbalon. Commissioner Palmer seconded the motion, which was unanimously adopted.

d. Players Club: Monica Donohoo, Sole Proprietor

Deputy Director Qualset indicated that Item 3d. Players Club was previously approved for a temporary license pending a response from the Division of Gambling Control to the Commission's request for additional information concerning a pending court action against the club owner. Deputy Director Qualset stated that the Division of Gambling Control requires additional time to complete the investigation and has requested the Commission approve an additional temporary license renewal. Deputy Director Qualset indicated that Commission staff recommends approval of an additional three-month temporary license through May 31, 2002, while the Division of Gambling Control continues its investigation. Commissioner Palmer moved to approve an additional three-month temporary license through May 31, 2002, for Item 3d. Players Club. Commissioner Smith seconded the motion, which was unanimously adopted.

e. Ven-A-Mexico: Juan Carrillo, Sole Proprietor

Deputy Director Qualset indicated that Item 3e. Ven-A-Mexico was previously approved for a temporary license pending a response from the Division of Gambling Control to the Commission's request for an additional report on issues of concern. Deputy Director Qualset further indicated that the Commission has been provided with an updated report on the issues of concern from the Division of Gambling Control and, subsequent to the report, both the Division of Gambling Control and Commission staff recommend a full approval of Item 3e. Ven-A-Mexico's application for renewal of state gambling license for the remaining term of the license through November 30, 2002. Commissioner Palmer moved to approve the gambling license for Item 3e. Ven-A-Mexico. Commissioner Smith seconded the motion, which was unanimously adopted.

f. Poker Junction: Miguel Vigil, Sole Proprietor.

Deputy Director Qualset indicated that Item 3f. Poker Junction was previously issued a temporary license pending a response from the Division of Gambling Control on the Commission's request for an opinion regarding gambling

expansion. Deputy Director Qualset stated that Commission staff had received the Division of Gambling Control's opinion and has determined the cardrooms' compliance with regards to gambling expansion. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for state gambling license for the remaining license term through November 30, 2002, for Item 3f. Poker Junction. Deputy Director Qualset stated the Commission staff recommendation was not being made with any reference to the Division of Gambling Control's policy related to local ordinances. Commissioner Sasaki moved to approve the application for state gambling license for Item 3f. Poker Junction. Commissioner Smith seconded the motion, which was unanimously adopted.

4. Review of any Proposed Changes to Regulations CGCC-1 and CGCC-2, as Adopted by the Commission on January 23, 2002.

Chief Counsel Pete Melnicoe presented to the Commission for its consideration proposed changes to regulations CGCC-1 and CGCC-2 as adopted by the Commission at the January 23, 2002, meeting. Chief Counsel Melnicoe provided the Commission a summary explanation for each of the proposed changes to the regulations. Commissioner Sasaki moved to approve the proposed changes to CGCC-1. Commissioner Palmer seconded the motion, which was unanimously adopted.

The meeting was open for public comment.

Michele LeBeau, Attorney, Holland and Knight presented the Commission with comments on the regulations and requested that a revision to change the term "Compact Tribe" to "Compacted Tribe" be included in the regulations.

Commissioner Sasaki amended her previous motion to include a motion to approve changing the term "Compact Tribe" to "Compacted Tribe" in regulation CGCC-1. Commissioner Smith seconded the motion, which was unanimously adopted.

John Sustaita, Gambling Consultant, asked the Commission questions pertaining to the regulations and whether the regulations would apply to the non-compact tribes. Commission staff informed Mr. Sustaita that the regulations applied to the Compacted tribes only.

Chairman Hensley moved to approve the proposed changes to CGCC-2 including changing the term "Compact Tribe" to "Compacted Tribe". Commissioner Smith seconded the motion, with Hensley, Smith and Sasaki voting to approve the motion, and Palmer abstaining; the motion carried.

A copy of regulation CGCC-1 and CGCC-2, containing the proposed changes as approved has been included as an attachment to the minutes and is referenced as Attachment A.

PUBLIC COMMENT

The meeting was opened for comments from the public.

John Sustaita, Gambling Consultant, presented comments to the Commission concerning the horse racing industry.

CONSENT CALENDAR ITEMS

None.

CLOSED SESSION

Chairman Hensley announced that the Commission would not be going into closed session after Commission Counsel stated that there were no items for discussion concerning litigation under Government Code Section 11126(c) and 11126(e), and there were no personnel issues for discussion under Government Code Section 11126(a)(1).

Chairman Hensley announced that the next Commission meeting was scheduled for March 13, 2002. Commissioner Smith moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 2:25 p.m.