

CALIFORNIA GAMBLING CONTROL COMMISSION  
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## MINUTES OF JUNE 12, 2002 COMMISSION MEETING

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### OPEN SESSION

Chairman Hensley called the meeting of June 12, 2002, to order at 1:07 p.m. with Chairman Hensley and Commissioners Smith, Sasaki, and Palmer present. Staff Participating: Gary Qualset, Deputy Director Licensing and Compliance Division; Peter Melnicoe, Chief Counsel, Legal Division; and Herb Bolz, Senior Legal Counsel.

The Pledge of Allegiance was recited.

Commissioner Smith moved to approve the June 12, 2002, Commission Meeting Minutes with technical amendments to correct two spelling of names. Commissioner Sasaki seconded the motion, which was unanimously adopted.

### DECISION ITEMS

1. Application for Work Permit:
  - a. Napa Valley Casino:  
Dellamorte, Vincent

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for work permit for Item 1a, Vincent Dellamorte. Commissioner Smith moved to approve the application for work permit for Item 1a, Vincent Dellamorte. Commissioner Sasaki seconded the motion, which was unanimously adopted.

2. Applications for Key Employee License:

- a. California Commerce Casino:  
McGarr, Fred
- b. Cameo Club:  
Martinez, Mark

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee license for Item 2a, Fred McGarr. Commissioner Sasaki moved to approve the application for key employee license for Item 2a, Fred McGarr. Commissioner Smith seconded the motion, which was unanimously adopted.

Item 2b was tabled at the recommendation of staff.

3. Applications for Key Employee License-Request for Withdrawal:

- a. California Grand Casino:  
Belscher, Jade
- b. Sonoma Joes:  
Pace, Linda

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend that the Commission approve without prejudice the request to withdraw the application for a key employee license for Item 3a, Jade Belscher. Deputy Director Qualset further indicated that the Division of Gambling Control had not begun the background investigation for Jade Belscher and upon approval of the request, Jade Belscher will be refunded the \$1,500.00 investigation deposit. Commissioner Smith moved to approve, without prejudice, the request to withdraw the application for a key employee license for Item 3a, Jade Belscher, and to refund the investigation deposit. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend that the Commission approve, without prejudice, the request to withdraw the application for a key employee license for Item 3b, Linda Pace. Deputy Director Qualset further indicated that the Division of Gambling Control had not completed the background investigation for Linda Pace and upon approval of the request Linda Pace will be refunded the remaining \$1,140.00 balance of the investigation deposit. Commissioner Sasaki moved to approve, without prejudice, the request to withdraw the application for a key employee license for Item 3b, Linda Pace, and to refund the remaining investigation deposit. Commissioner Smith seconded the motion, which was unanimously adopted.

4. Applications for Renewal of State Gambling License:

- a. Bruce's Casino: John Gallo, Sole Proprietor.
- b. Lucky Lady: Stanley Penn, 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, Bruce's Casino. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 4a, Bruce's Casino. Commissioner Smith seconded the motion, which was unanimously adopted.

Item 4b was tabled at the recommendation of staff.

5. Request for Approval of Amendment to Articles of Incorporation (B&P Code Section 19871A):

- a. Sahara Dunes Management, Inc.: Sahara Dunes Management Inc., A California Corporation.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the submitted amendment to the articles of incorporation for Sahara Dunes Management, Inc. Commissioner Palmer moved to approve the request for approval of the amendment to the articles of incorporation for Sahara Dunes Management, Inc. Commissioner Smith seconded the motion, which was unanimously adopted.

6. Applications for Tribal-State Compact Key Employee Finding of Suitability:

- a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation-Agua Caliente Casino:
  - Allen, Michelle
  - Alvidrez, Blasa
  - Baland, Bruce
  - Charolla, Frank
  - Cooper, Dennis
  - Ehresman, Yolonda
  - Kettler, Kenneth
  - Lund, Catherine
  - Mainez, Michael
  - Miller, Brian
  - Raymond, Robert
  - Romero, Debbie

Decisions on Item 6a concerning Michelle Allen, Blasda Alviderez, and Kenneth Kettler was tabled at the request of staff pending additional background information from the Division of Gambling Control.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a finding of suitability as key employees under the Tribal-State Gaming Compact for Bruce Baland, Frank Charolla, Dennis Cooper, Yolonda Ehresman, Chatherine Lund, Michael Mainez, Brian Miller, Robert Raymond, and Debbie Romero. Commissioner Palmer moved to approve these applications for a finding of suitability for Bruce Baland, Frank Charolla, Dennis Cooper, Yolonda Ehresman, Chatherine Lund, Michael Mainez, Brian Miller, Robert Raymond, and Debbie Romero. Commissioner Sasaki seconded the motion, which was unanimously approved.

- b. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Rancheria-Viejas Casino and Turf Club:
  - Clearwater, Susan
  - Drouse, Larry
  - Durler, Jeff

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a finding of suitability as key employees under the Tribal-State Gaming Compact for Susan Clearwater, Larry Drouse, and Jeff Durler. Commissioner Smith moved to approve the applications for a finding of suitability for Susan Clearwater, Larry Drouse, and Jeff Durler. Commissioner Sasaki seconded the motion, which was unanimously adopted.

7. Proposed Uniform Tribal Gaming Regulation CGCC-3. Minimum Standards for Gaming Devices.

Senior Legal Counsel Herb Bolz announced to the Commission that Item 7 was being further revised to respond to input received from tribes concerning the regulation.

8. Proposed Uniform Tribal Gaming Regulation CGCC-7. Emergency/Evacuation Plans.

Senior Legal Counsel Herb Bolz presented to the Commission proposed Uniform Tribal Gaming Regulation CGCC-7, Emergency Evacuation Plan. A Copy of proposed regulation CGCC-7 has been incorporated into the minutes as Attachment A.

Two unidentified individuals made comments regarding the regulations.

Kathryn Clenney, Commissioner, Barona Gaming Commission, presented comments concerning the regulation.

Commissioner Palmer moved to recommend that the Commission forward CGCC-7 to the Association of Tribal and State Gaming Regulators for review. Commissioner Smith seconded the motion, which was unanimously adopted.

9. Commission Policy and Interpretation of the Tribal-State Gaming Compacts, Section 4.3.2.2.

Chief Counsel Peter Melnicoe presented to the Commission, for its consideration, staff recommendations on the interpretation of Compact section 4.3.2.2. A copy of the report titled Payment Methodology and Gaming Device Licensing Under Compact Section 4.3.2.2 has been incorporated in the minutes as Attachment B.

Richard Milanovich, Chairman, Auga Calente Band of Cahuilla Indians, presented comments to the Commission.

Anna Kimber, Attorney, presented the Commission written comments on behalf of the California Tribes for Fairness in Compacting Coalition. A copy of the June 11, 2002, letter presented by Ms. Kimber has been incorporated into these minutes as Attachment C.

John Currier, Chairman, Rincon San Luiseno Band of Mission Indians, presented comments to the Commission.

Sandra Knight, Tribal Council, Mechoopda Indian Tribe, presented comments to the Commission.

Dixie Jackson, Chairwomen, Picayune Rancheria, presented comments to the Commission.

Howard Dickstein, Attorney, Dickstein and Merin, presented comments to the Commission.

Mark Nichols, Chief Executive Officer, Cabazon Band of Mission Indians, presented comments to the Commission.

Robert Rosette, Attorney, Monteau & Peebles, presented comments to the Commission.

Scott Crowell, Legal Counsel for the Rincon San Luiseno Band of Mission Indians, presented comments to the Commission.

Commissioner Sasaki moved that the California Gambling Control Commission, pursuant to the Governor's Executive Order D31-01 and the Tribal-State Gaming Compacts, adopt as its policy the interpretation of Compact section 4.3.2.2 that the California Gambling Control Commission is empowered to conduct gaming device license draws and further that the Commission shall move forward to conduct gaming device license draws. Commissioner Smith seconded the motion, which was unanimously adopted.

Commissioner Smith moved that, pursuant to the Governor's Executive Order D31-01 and the Tribal-State Gaming Compacts, the California Gambling Control Commission direct its staff to notify all compacted tribes that participated in the gaming device license draws previously conducted by the Sides Accountancy Corporation that the allocations under those draws are ratified by the Commission and that bona fide gaming device licenses are issued by the Commission under Compact section 4.3.2.2, which shall be effective from the date of issuance of the Sides putative licenses to the Tribe, and further that this notice shall state that the 12-month time period specified in the Compacts for putting the licenses into commercial operation commences upon the date of that notice. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Commissioner Smith moved that the staff of the California Gambling Control Commission is directed to present any necessary further recommendations to implement the policies previously adopted by the Commission this date and to present further recommendations respecting the other interpretive issues on gaming device licensing at the next Commission hearing. Commissioner Palmer seconded the motion, which was unanimously adopted.

10. Tribal Requests for Adoption of Uniform Gaming Regulations (Compact Section 8.4.1).

Chief Counsel Peter Melnicoe presented to the Commission for its consideration the request of the Business Council of the Santa Ynez Band of Mission Indians to waive the 30 day comment period and adopt for its tribe the Uniform Gaming Regulation CGCC-2.

Commissioner Sasaki moved to adopt CGCC-2 as a final regulation applicable to the Santa Ynez Band of Mission Indians pursuant to Resolution 849 of the Tribe's Business Council, which requests immediate application of CGCC-2 to the Tribe and waives the 30-day comment period of Section 8.4.1. Commissioner Smith seconded the motion, which was unanimously adopted.

11. Gaming Policy Advisory Committee: Appointment of Members.

Chairman Hensley moved to appoint to the Gaming Policy Advisory Committee: Haig Kalegian, owner of Bicycle Club and Oceans 11, Leo Chu, owner of Hollywood Park, Lee Baca, Sheriff of Los Angeles County, Robert Lorsch, Los Angeles Businessman and Advertising Executive, Tom Tucker, Community Leader, Addicted Gamblers Treatment and Education Programs in California, and George Willey, Senior Legislative Consultant, California State Assembly. Commissioner Sasaki seconded the motion, which was unanimously adopted.

**PUBLIC COMMENT**

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

Rich Steward, Tribal Administrator, Elem Indian Colony, presented comments to the Commission.

John Currier, Chairman, Rincon San Luiseno Band of Mission Indians, presented comments to the Commission.

Richard Milanovich, Chairman, Augua Caliente Band of Cahuilla Indians, presented comments to the Commission.

Kermit Shultz, cardroom owner, presented comments to the Commission.

**CONSENT CALENDAR ITEMS**

None.

Commissioner Smith moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 2:55 p.m.