

CALIFORNIA GAMBLING CONTROL COMMISSION  
2399 GATEWAY OAKS DRIVE, SUITE 100  
P.O. BOX 526013, SACRAMENTO, CA 95852-6013  
(916) 263-0700 · FAX (916) 263-0499  
WWW.CGCC.CA.GOV

2399 Gateway Oaks Drive  
Sacramento, CA 95833  
September 25, 2002, 1:30 p.m..

---

## MINUTES OF SEPTEMBER 25, 2002 COMMISSION MEETING

---

### OPEN SESSION

Chairman Hensley called the meeting of September 25, 2002, to order at 1:35 p.m. with Chairman Hensley and Commissioners Smith, Sasaki and Palmer present.

Staff Participating: Gary Qualset, Deputy Director Licensing and Compliance; Peter Melnicoe, Chief Counsel, Legal Division and Herb Bolz, Regulation Coordinator and Senior Legal Counsel.

The Pledge of Allegiance was recited.

Commissioner Sasaki moved to approve the September 4, 2002, Commission Meeting Minutes. Commissioner Palmer seconded the motion, which was unanimously adopted.

### DECISION ITEMS

1. Applications for Work Permits:
  - a. Central Coast Casino:  
Bowers, Thomas
  - b. Gold Rush Casino:  
Barrows, Susan
  - c. Napa Valley Casino:  
Ang, Sunn Ser  
Tey, Si How

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for work permits for Thomas Bowers, Susan Barrows, Ser Sunn Ang, and How Si Tey. Commissioner Sasaki moved to approve the applications for work permits for Thomas Bowers, Susan Barrows, Ser Sunn Ang, and How Si Tey. Commissioner Smith seconded the motion, which was unanimously adopted.

2. Applications for Key Employee License:
  - a. Artichoke Joe's:  
Fong, Weylin
  - b. Bicycle Casino:  
Cloward, Richard
  - c. California Commerce Casino:  
Sana, Michael
  - d. California Grand Casino:  
Callas, Raymond
  - e. Capitol Casino:  
Vang, Cheng
  - f. Lucky Derby:  
Sadauskas, Roger

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a key employee license for Weylin Fong, Richard Cloward, Michael Sana, Raymond Callas, Cheng Vang, and Roger Sadauskas. Commissioner Palmer moved to approve the applications for a key employee license for Weylin Fong, Richard Cloward, Michael Sana, Raymond Callas, Cheng Vang, and Roger Sadauskas. Commissioner Sasaki seconded the motion, which was unanimously adopted.

3. Applications for Key Employee License - Request for Withdrawal:
  - a. Crystal Park Casino Hotel:  
Love, Sean
  - b. Hollywood Park Casino:  
Love, Sean
  - c. Normandie Club:  
Phillips, Bernard

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request to withdraw the applications for a key employee license for Sean Love at Crystal Park Casino Hotel and Hollywood Park Casino. Deputy Director Qualset further indicated that upon approval of the request Hollywood Park Casino would be refunded the deposit for the background investigation. Mr. Love was simultaneously employed by Hollywood Park Casino and Crystal Park Casino. As such, he filed two applications for a key employee license. No background investigation deposit was submitted in conjunction with Mr. Love's application for a key employee license for Crystal Park Casino. Commissioner Sasaki moved to approve without prejudice the request to withdraw the applications for a key employee license for Sean Love at Crystal Park Casino Hotel and Hollywood Park 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 without prejudice of the request to withdraw the application of a key employee license for Bernard Phillips. Deputy Director Qualset further indicated that upon approval of the request Normandie Club would be refunded the deposit for the background investigation in full. Commissioner Smith moved to approve without prejudice the request to withdraw the application for a key employee license for Bernard Phillips. Commissioner Palmer seconded the motion, which was unanimously adopted.

4. Applications for Renewal of State Gambling License:
  - a. Cibola Club: Danny Acosta Figueroa, Sole Proprietor.
  - b. Diamond Jim's: Wizard's Gaming, Inc., A California Corporation.
  - c. Garden City: Garden City, Inc., A California Corporation.
  - d. Hemphill's Card Room: Billy Long, Sole Proprietor.
  - e. Lake Bowl Card Room: Waldemar Dreher, Sole Proprietor.
  - f. Nineteenth Hole: Stephen Scudero, Edward Beaudin and Larry Merlini, A General Partnership

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 4a, Cibola Club. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 4a, Cibola Club. 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 application for renewal of a state gambling license for Item 4b, Diamond Jim's. Additionally, Commission staff recommended that a condition be included that a security plan, pursuant to Business and Professions Code section 19918A, be submitted by the gambling establishment within thirty days of notice for review and approved by the Commission. Commissioner Smith moved to approve the staff recommendation. Commissioner Palmer seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that Commission staff recommends approval of a temporary six month renewal of the state gambling license for Item 4c, Garden City, pending additional information requested by the Commission regarding the gambling establishments bankruptcy filing under chapter 11. Commissioner Palmer moved to approve the staff recommendation. Commissioner Sasaki 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 application for renewal of a state gambling license for Item 4d, Hemphill's Card Room. Commissioner Sasaki moved to approve the application for a state gambling license for Item 4d,

Hemphill's Card Room. 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 application for renewal of a state gambling license for Item 4e, Lake Bowl Card Room. Commissioner Sasaki moved to approve the application for renewal of a state gambling license for Item 4e, Lake Bowl Card Room. Commissioner Palmer seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that Commission staff recommends approval of the state gambling license for Item 4f, Nineteenth Hole, and that the Commission direct its staff to request complete copies of the investigation reports from the Division of Gambling Control to determine whether disciplinary action should be taken against the gambling establishment concerning violations of the Penal Code and local ordinance that were noted in the Division of Gambling Control's report to the Commission. Chairman Hensley moved to approve the staff recommendation. Commissioner Smith seconded the motion, which was unanimously adopted.

5. Application for State Gambling License:
  - a. Bay 101: Sutter's Place, Inc., A California Corporation.

Deputy Director Qualset indicated that Commission staff recommends a three month extension on the already existing temporary state gambling license for Bay 101, pending additional information requested by the Commission regarding the gaming establishments bankruptcy filing under chapter 11. Chairman Hensley moved to approve the staff recommendation. Commissioner Smith seconded the motion, which was unanimously adopted.

6. Emergency Regulations – Registration of Manufacturers and Distributors of Gambling Equipment. (Business & Professions Code Section 19834A(r)).

Chief Counsel Peter Melnicoe presented to the Commission for its consideration the proposed Emergency Regulations: Registration of Manufacturers and Distributors of Gambling Equipment pursuant to Business and Professions Code section 19834A(r), and the Finding of Emergency concerning the proposed regulations. Commissioner Smith moved to approve the proposed emergency regulations and the Finding of Emergency concerning the proposed regulations. Commissioner Sasaki seconded the motion.

John Sustaita, Gambling Consultant, presented comments in support of the proposed regulation and questions on the proposed regulations.

Steven TeSam, Chairman, Viejas Band of Mission Indians, presented comments in opposition to the Finding of Emergency.

Brenda Soulliere, Delegate, Public Relations Committee, California Nations Indian Gaming Association, commented in opposition to the Finding of Emergency and presented written comments that are incorporated into the minutes as Attachment A.

Anthony Miranda, Pechanga Indian Gaming Commission, presented comments in opposition to the Finding of Emergency and the proposed regulations.

Michelle LeBeau, Attorney, Holland & Knight, commented in opposition to the Finding of Emergency and the proposed regulations and presented written comments that are incorporated into these minutes as Attachment B.

Jane Zerbi, Attorney, Dickstein and Merin, presented comments in opposition to the Finding of Emergency.

Jacob Coin, California Nations Indian Gaming Association, presented comments in opposition to the Finding of Emergency.

Priscilla Hunter, Chairperson, Coyote Valley Tribal Council, presented comments in opposition to the Finding of Emergency, and, in particular, to any reference to the gaming operation of the Coyote Valley Band of Pomo Indians. .

Jane Zerbi, Attorney, Dickstein and Merin, presented comments on the proposed regulation concerning alleged conflicts with the Tribal-State Gaming Compacts.

Victor Gallow, Corporate Counsel, Konami Gaming, presented comments on Section 12303 of the proposed regulations.

Anthony Miranda, Pechanga Indian Gaming Commission, requested submission of the proposed regulations to the Tribal State Gaming Association for review.

Incorporated into the minutes as Attachment C. are written comments received at the Commission's office for inclusion on the record from Richard Milanovich, Tribal Council Chairman, Agua Caliente Band of Cahuilla Indians.

Chairman Hensley asked that the motion to adopt the proposed regulations be amended to include a commitment that the Commission will work with the slot machine manufacturers in the actual makeup of the quarterly reports. Commissioner Smith amended his motion to include Chairman Hensley's request. Commissioner Sasaki seconded the motion and the proposed emergency

regulations and the Finding of Emergency concerning the proposed regulations were unanimously adopted. A copy of the proposed regulations as presented to the Commission is incorporated into the minutes as Attachment D.

7. Post-hearing Changes to Proposed Work Permit Regulations (Public Hearing Held August 26, 2002).

Senior Counsel and Regulations Coordinator Herb Bolz presented to the Commission for its consideration the post-hearing changes to the proposed work permit regulations. Commissioner Sasaki moved to approve the post-hearing changes to the proposed work permit regulations for distribution to the public. Commissioner Smith seconded the motion, which was unanimously adopted. A copy of the post-hearing changes is incorporated into the minutes as Attachment E.

John Sustaita, Gambling Consultant, presented comments concerning the work permit regulations.

8. Proposed Amendments to Proposed Uniform Tribal Gaming Regulations CGCC-4 (Reports Concerning Violation or Non-Compliance), CGCC-5 (Exclusion List), and CGCC-7 (Emergency/Evacuations Plans).

Senior Counsel and Regulations Coordinator Herb Bolz presented to the Commission for its consideration proposed amendments to the Proposed Uniform Tribal Gaming Regulations CGCC-4, CGCC-5 and CGCC-7, previously adopted by the Commission.

Commissioner Smith moved to approve the proposed amendments to the Proposed Uniform Tribal Gaming Regulations CGCC-4, CGCC-5 and CGCC-7, for resubmission to the Association of Tribal and State Gaming Regulators. Commissioner Palmer seconded the motion, which was unanimously adopted.

A copy of the proposed Uniform Tribal Regulations CGCC-4, CGCC-5, and CGCC-7 is incorporated into the minutes as Attachment F.

## **PUBLIC COMMENT**

Chairman Hensley announced that at its September 4, 2002, meeting in closed session, the Commission selected Richard DeCuir for appointment to the position of Chief Deputy Director.

## **CONSENT CALENDAR ITEMS**

None.

**ADJOURNMENT**

Commissioner Smith moved to adjourn the meeting. Commissioner Sasaki seconded the motion, which was adopted unanimously; the meeting was adjourned at 3:35 p.m.