

CALIFORNIA GAMBLING CONTROL COMMISSION
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2399 Gateway Oaks Drive
Sacramento, CA 95833
October 8, 2002, 1:30 p.m.

MINUTES OF OCTOBER 8, 2002 COMMISSION MEETING

OPEN SESSION

Chairman Hensley called the meeting of October 8, 2002, to order at 1:30 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 Palmer moved to approve the September 25, 2002, Commission Meeting Minutes. Commissioner Sasaki seconded the motion, which was unanimously adopted.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Sonoma Joes:
Smith, Monica

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

2. Applications for Key Employee License:
 - a. Commerce Casino:
Millan, Debora
Kasko, Martin
 - b. California Grand Casino:
Altizer, Brian
 - c. Capitol Casino:
Clevenger, Gene
 - d. Lucky Derby Casino:
Glasco, Dennis
 - e. Lucky Lady Casino:
Beverly, Jan
 - f. Phoenix Lounge and Casino:
Thich, Cuong
 - g. Silver Fox:
Tuazon, Amando
 - h. Village Club:
Silva, Linda

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 Debora Millan, Martin Kasko, Brian Altizer, Gene Clevenger, Dennis Glasco, Jan Beverly, Cuong Thich, Amando Tuazon, and Linda Silva. Commissioner Palmer moved to approve the applications for a key employee license for Debora Millan, Martin Kasko, Brian Altizer, Gene Clevenger, Dennis Glasco, Jan Beverly, Cuong Thich, Amando Tuazon, and Linda Silva. Commissioner Sasaki seconded the motion, which was unanimously adopted.

3. Application for Key Employee License – Request for Withdrawal:
 - a. Casino Real:
Camozzi, Richard
 - b. Lucky Chances Casino:
Camozzi, Richard

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the requests to withdraw the applications for a key employee license for Richard Camozzi at Lucky Chances Casino and the Casino Real. Deputy Director Qualset further indicated that upon approval of the requests both Lucky Chances Casino and the Casino Real would be refunded the deposit for the background investigation. Mr. Camozzi was employed by Lucky Chances Casino and the Casino Real consecutively. As such, he filed two applications for a key employee license. Commissioner Sasaki moved to approve without prejudice the request to withdraw the applications for a key employee license for Richard Camozzi at

Lucky Chances Casino and the Casino Real. Commissioner Smith seconded the motion, which was unanimously adopted.

4. Applications for Renewal of State Gambling License:
 - a. Angie's Poker Club: Angela Harris, Sole Proprietor.
 - b. Busted Flush: Frank Fox, Sole Proprietor.
 - c. Comstock Card Room: Joseph and Monica Melech, Sole Proprietors.
 - d. Cottage: Mickey Worley, Sole Proprietor.
 - e. Hotel Del Rio and Casino: Charline and Ralph Hand, Sole Proprietors.
 - f. Marina Club: Guy Calamia, Sole Proprietor.
 - g. Palace Card Club: Katherine Bousson, Sole Proprietor.
 - h. Royal Flush Casino: Adolfo and Hope Martinez, Sole Proprietors.

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

Deputy Director Qualset indicated that the Busted Flush was previously presented to the Commission. However, no action was taken on the license renewal application because the applicant failed to file a complete application with the Division of Gambling Control and the Division was unable to conduct a background investigation based on the information provided on the application. The applicant was noticed to provide further information on the application within a specified time, and that failure to do so would surrender the license. Deputy Director Qualset further indicated that the applicant complied with the notice and the Division of Gambling Control has completed its background investigation and both the Division of Gambling Control and Commission staff recommend approval of the license for the remaining term of the license through July 31, 2003. Chairman Hensley moved to approve the application for renewal of a gambling license through July 31, 2003, for Item 4b, Busted Flush. Commissioner Palmer 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 4c, Comstock Card Room. Deputy Director Qualset further indicated that the total application fee had not been paid and that the Commission would only issue the license renewal upon receipt of payment in full. The Commission directed staff to send a letter to the gambling establishment indicating that a license would not be sent until receipt of funds and to advise them that if payment is not received upon expiration of the current license that all

gaming activities shall cease until payment of all fees and receipt of a current gambling establishment license. Commissioner Sasaki moved to approve the application for renewal of a state gambling license for Item 4c, Comstock 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 4d, Cottage. Commissioner Smith moved to approve the application for renewal of a state gambling license for Item 4d, Cottage. 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 4e, Hotel Del Rio and Casino. Deputy Director Qualset further indicated that the total application fee had not been paid and that the Commission would issue the license renewal upon receipt of payment in full. The Commission directed staff to send a letter to the gambling establishment indicating that a license would not be sent until receipt of funds and to advise them that if payment is not received upon expiration of the current license that all gaming activities shall cease until payment of all fees and receipt of a current gambling establishment license. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 4e, Hotel Del Rio and 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 application for renewal of a state gambling license for Item 4f, Marina Club. Commissioner Sasaki moved to approve the application for renewal of a state gambling license for Item 4f, Marina Club. Commissioner Palmer 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 4g, Palace Card Club. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 4g, Palace Card Club. 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 4h, Royal Flush Casino. Commissioner Smith moved to approve the application for renewal of a state gambling license for Item 4h, Royal Flush Casino. Commissioner Sasaki seconded the motion, which was unanimously adopted.

5. Proposed Amendment to Proposed Uniform Tribal Gaming Regulation CGCC-3 (Minimum Standards for Gaming Devices).

The Commission took no action on Item 5 after Chief Counsel Melnicoe announced that staff would not be presenting the proposed amendment to proposed Uniform Tribal Gaming Regulation CGCC-3 for consideration by the Commission.

6. Emergency Regulations Adopted by the Commission on September 25, 2002, Concerning Registration of Manufacturers and Distributors of Gambling Equipment.

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented to the Commission a report on the emergency regulations concerning registration of manufacturers and distributors of gambling equipment. Mr. Bolz indicated that the Office of Administrative Law (OAL) approved the emergency regulations on October 7, 2002. No action was taken by the Commission concerning the emergency regulations.

7. Delegation of Authority to Submit Regulations to the Office of Administrative Law.

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented to the Commission for its consideration the following Resolution Concerning Delegation of Authority in Rulemaking:

Resolving that on October 8, 2002, by the California Gambling Control Commission, Chief Deputy Director Richard DeCuir is authorized: (1) to sign certifications required by Government Code section 11343, pursuant to Government Code section 11343(f); (2) to sign all other forms required to obtain approval of regulations submitted to OAL; and (3) to make nonsubstantive changes during the OAL review period, to any regular or emergency regulation submitted to OAL.

Commissioner Sasaki moved to approve the Delegation of Authority. Commissioner Palmer seconded the motion, which was unanimously adopted. A certified copy of the Resolution Concerning Delegation of Authority in Rulemaking is incorporated into the minutes as Attachment A.

PUBLIC COMMENT

Jane Zerbi Attorney, Dickstein & Merin, commented on the emergency regulations and presented written comments that are incorporated into the minutes as Attachment B.

John Sustaita, Gambling Consultant, presented comments concerning enforcement of security standards for small casinos.

CONSENT CALENDAR ITEMS

None.

ADJOURNMENT

Commissioner Smith moved to adjourn the meeting. Commissioner Palmer seconded the motion, which was adopted unanimously; the meeting was adjourned at 2:13 p.m.