

CALIFORNIA GAMBLING CONTROL COMMISSION
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Embassy Suites Hotel
Sevilla Valencia Room
1440 East Imperial Avenue
El Segundo, CA 90245
Thursday, February 20, 2003

MINUTES OF February 20, 2003 COMMISSION MEETING

OPEN SESSION

Chairman Hensley called the meeting of February 20, 2003, to order at 10:25 a.m. with Commissioners Palmer, Smith and Sasaki present.

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

Commissioner Sasaki moved to approve the February 5, 2003, Commission Meeting Minutes. Commissioner Smith seconded the motion, which was unanimously adopted.

DECISION ITEMS

1. Applications for Work Permit:
 - a. California Grand Casino:
 - Lo, Peter
 - Medina, Martin
 - Rivera, Hector
 - Tran, Tuan
 - b. Empire Sportsmen Association:
 - Huon, Seng
 - c. Gloria's Lounge and Casino:
 - Thompson, Rebecca
 - d. Sonoma Joes:
 - Nguyen, Thanh
 - Smith, Ellen
 - Stearns, Alice

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Item 1c, Rebecca Thompson and Item 1d, Nguyen Thanh, Ellen Smith and Alice Stearns. Commissioner Sasaki moved to approve the applications for a work permit for Item 1c, Rebecca Thompson and Item 1d, Nguyen Thanh, Ellen Smith and Alice Stearns. Commissioner Smith seconded the motion, which was unanimously adopted.

Michael McPeters, Special Agent Supervisor, Division of Gambling Control, presented to the Commission the Division of Gambling Control's recommendation concerning the application for a work permit for Item 1a, Peter Lo. Special Agent McPeters indicated that the Division recommends Peter Lo's application for a work permit be denied under Business and Professions Code section 19850A(a)(2) and (4), (renumbered in 2003 to: 19859(a)(2) and (4)). Deputy Director Qualset indicated that Commission staff recommends that the application for a work permit for Item 1a, Peter Lo, be denied as well, under Business and Professions Code section 19912(d) and Section 12105(a)(1) of Title 4 of the California Code of Regulations. Commissioner Smith moved to deny to application for a work permit for Item 1a, Peter Lo. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Michael McPeters, Special Agent Supervisor, Division of Gambling Control, presented to the Commission the Division of Gambling Control's recommendation concerning the application for a work permit for Item 1a, Martin Medina. Special Agent McPeters indicated that the Division recommends Martin Medina's application for a work permit be denied under Business and Professions Code section 19850A(a)(1) and (2), (renumbered in 2003 to: 19859(a)(1) and (2)). Deputy Director Qualset indicated that Commission staff recommends that the application for a work permit for Item 1a, Martin Medina, be denied as well, under Business and Professions Code section 19912(d) and Section 12105(a)(1) of Title 4 of the California Code of Regulations. Commissioner Sasaki moved to deny the application for a work permit for Item 1a, Martin Medina. Commissioner Palmer seconded the motion, which was unanimously adopted.

Michael McPeters, Special Agent Supervisor, Division of Gambling Control, presented to the Commission the Division of Gambling Control's recommendation concerning the application for a work permit for Item 1a, Hector Rivera. Special Agent McPeters indicated that the Division recommends Hector Rivera's application for a work permit be denied under Business and Professions Code section 19850A(a)(1) and (2), (renumbered in 2003 to: 19859(a)(1) and (2)). Deputy Director Qualset indicated that Commission staff recommends that the application for a work permit for Item 1a, Hector Rivera, be denied as well, under Business and Professions Code section 19912(d) and Section 12105(a)(1) of Title 4 of the California Code of Regulations. Commissioner Smith moved to deny the application

for a work permit for Item 1a, Hector Rivera. Commissioner Palmer seconded the motion, which was unanimously adopted.

Michael McPeters, Special Agent Supervisor, Division of Gambling Control, presented to the Commission the Division of Gambling Control's recommendation concerning the application for a work permit for Item 1a, Tuan Tran. Special Agent McPeters indicated that the Division recommends Tuan Tran's application for a work permit be denied under Business and Professions Code section 19850A(a)(2) and (4), (renumbered in 2003 to: 19859(a)(2) and (4)). Deputy Director Qualset indicated that Commission staff recommends that the application for a work permit for Item 1a, Tuan Tran, be denied as well, under Section 12105(a)(1) of Title 4 of the California Code of Regulations. Commissioner Sasaki moved to deny the application for a work permit for Item 1a, Tuan Tran. Commissioner Smith seconded the motion, which was unanimously adopted.

Michael McPeters, Special Agent Supervisor, Division of Gambling Control, presented to the Commission the Division of Gambling Control's recommendation concerning the application for a work permit for Item 1b, Seng Huon. Special Agent McPeters indicated that the Division recommends Seng Huon's application for a work permit be denied under Business and Professions Code section 19848A(a) and (b), 19850A(a)(2) and (4), (renumbered in 2003 to: 19857(a) and (b) and 19559(a)(2) and (4)), and Section 12130(a)(2) and 12130(b)(2)(A) of Title 4 of the California Code of Regulations, (renumbered in 2003 to: Section 12105(a)(2) and 12105(b)(2)(a)). Deputy Director Qualset indicated that Commission staff recommends that the application for a work permit for Item 1b, Seng Huon, be denied as well, under Business and Professions Code section 19912(d) and Section 12105(a)(1) of Title 4 of the California Code of Regulations. Commissioner Palmer moved to deny to application for a work permit for Item 1b, Seng Huon. Commissioner Sasaki seconded the motion, which was unanimously adopted.

2. Applications for Key Employee License:

- a. The Cottage:
Worley, Kenneth
- b. Crystal Park Casino:
Johnson, Alonzo

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

3. Applications for Key Employee License – Request for Withdrawal:
 - a. Garden City Casino:
 - Looney, Katalee
 - Schablaske, Joe
 - b. Napa Valley Casino:
 - Hall, Ricky

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval, without prejudice, the requests for withdrawal of the applications for a key employee license for Item 3a, Katalee Looney and Joe Schablaske. Deputy Director Qualset further indicated that upon approval of the requests for withdrawal, the payee would be refunded any unearned portion of the background investigation deposit. Commissioner Smith moved to approve without prejudice, the requests for withdrawal of the applications for a key employee license for Item 3a, Katalee Looney and Joe Schablaske. 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, without prejudice, the request for withdrawal of the application for a key employee license for Item 3b, Ricky Hall. Deputy Director Qualset further indicated that upon approval of the request for withdrawal, the payer would be refunded any unearned portion of the background investigation deposit. Commissioner Sasaki moved to approve without prejudice, the request for withdrawal of the application for a key employee license for Item 3b, Ricky Hall. Commissioner Palmer seconded the motion, which was unanimously adopted.

4. Request for Additional Authorized Tables:
 - a. California Grand Casino: Lamar Wilkinson, Sole Proprietor (1 table).

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for an additional authorized table for Item 4a, California Grand Casino. Deputy Director Qualset further indicated that staff's recommendation was based on a review of the local ordinance and the Gambling Control Act expansion of gambling to ensure compliance. Commissioner Palmer moved to approve the request for an additional authorized table for Item 4a, California Grand Casino. Commissioner Smith seconded the motion, which was unanimously adopted.

5. Applications for Renewal of State Gambling License:
 - a. California Grand Casino: Lamar Wilkinson, Sole Proprietor.
 - b. Garden City: Garden City, Inc., A Corporation.
 - c. Napa Valley Casino: Paul Maguire, Sole Proprietor.
 - d. Ocean View Cardroom: Veronica Chohroch Allard, Sole Proprietor.
 - e. Old Tavern Bar and Grill: Old Tavern Bar and Grill, Inc., A Corporation.
 - f. Players Club: Monica Castro Donohoo, Sole Proprietor.
 - g. Village Club: Harvey Souza, Sole Proprietor.

No action was taken by the Commission on Item 5a, California Grand Casino, which was removed from the agenda at the request of staff.

Deputy Director Qualset indicated that Item 5b, Garden City, was previously issued a temporary license pending receipt of additional information requested from the Division of Gambling Control. Deputy Director Qualset further indicated that staff has reviewed the Division of Gambling Control's response. Commission staff recommend approval of the application for renewal of a state gambling license for Item 5b, Garden City, for the remaining term of the license through September 30, 2003. Commissioner Smith moved to approve the application for renewal of a state gambling license for Item 5b, Garden City, for the remaining term of the license through September 30, 2003. Chairman Hensley seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that Item 5c, Napa Valley Casino, was previously issued a temporary license pending completion of the background investigation by the Division of Gambling Control. Deputy Director Qualset further indicated that staff has since reviewed the completed investigation materials and both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Item 5c, Napa Valley Casino, for the remaining term of the license through November 30, 2003. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 5c, Napa Valley Casino, for the remaining term of the license through November 30, 2003. 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 5d, Ocean View Cardroom. Commissioner Smith moved to approve the application for renewal of a state gambling license for Item 5d, Ocean View Cardroom. Commissioner Sasaki seconded the motion, which was unanimously adopted.

No action was taken by the Commission on Item 5e, Old Tavern Bar and Grill, because a renewal application was not submitted for the gambling establishment.

Deputy Director Qualset indicated that Item 5f, Players Club, was previously issued a temporary license pending receipt of additional information requested from the Division of Gambling Control. Deputy Director Qualset further indicated that staff has reviewed the Division of Gambling Control's response. Commission staff recommend approval of the application for renewal of a state gambling license for Item 5f, Players Club, for the remaining term of the license through August 31, 2003. Commissioner Palmer moved to approve the application for renewal of a state gambling license for Item 5f, Players Club, for the remaining term of the license through August 31, 2003. Commissioner Sasaki seconded the motion, which was unanimously adopted.

Deputy Director Qualset indicated that Item 5g, Village Club, was previously issued a temporary license pending receipt of additional information requested from the Division of Gambling Control. Deputy Director Qualset further indicated that staff has reviewed the Division of Gambling Control's response. Commission staff recommend approval of the application for renewal of a state gambling license for Item 5g, Village Club, for the remaining term of the license through December 31, 2003. Commissioner Sasaki moved to approve the application for renewal of a state gambling license for Item 5g, Village Club, for the remaining term of the license through December 31, 2003. Commissioner Palmer seconded the motion, which was unanimously adopted.

6. Amendments to Uniform Tribal Regulation CGCC-2; Financial Sources.

Chief Counsel Melnicoe presented to the Commission for its consideration proposed Uniform Tribal Regulation CGCC-2 Revision No. 1, (Financial Sources), which is an amendment and reenactment of CGCC-2, for transmission to the Association of Tribal and State Gaming Regulators.

Bradley G. Bledsoe Downes, Dorsey & Whitney LLP, commented on details of the proposed regulation, explaining the purpose of amending CGCC-2.

Howard L. Dickstein, Dickstein & Zerbi, commented in support of the proposed regulation, petitioning the Commission to adopt the amendments.

Commissioner Smith moved to approve proposed regulation CGCC-2 Revision No. 1, and to include an additional amendment to Section (k)(5) of the regulation, replacing ““Participation” means any participation with “Participation” means any participation interest”, for transmission to the Association of Tribal and State Gaming Regulators. Commissioner Sasaki seconded the motion, which was unanimously adopted. A copy of CGCC-2, as adopted by the Commission is incorporated into the minutes as Attachment A.

7. Discussion Item: Gambling Patrons' Bill of Rights:
 - a. Cardrooms
 - b. Tribal Casinos

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented on oral report on the "gaming patrons' bill of rights." This proposal was intended to represent the viewpoint of the California consumer (the gaming patron), and to cover both cardrooms and tribal casinos. Concepts discussed included dispute resolution; protection of intoxicated patrons; emergency preparedness plans; security plans; problem gambling, including voluntary exclusion lists; posting of odds in player-banked games (cardrooms only); and disclosure of odds, that is, payout percentages for gaming devices (tribal casinos only). Mr. Bolz indicated that input is being solicited from commissioners, patrons, cardrooms, tribal casinos, and other interested parties.

CONSENT CALENDAR ITEMS

1. Applications for Tribal-State Compact Key Employee Finding of Suitability:
 - a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation – Agua Caliente Casino:
 - Cole, David
 - Fazio, Vincent
 - McCabe, John
 - Ortiz, Virginia
 - Spencer, William
 - Stewart, Natalie
 - b. Elk Valley Rancheria of California – Elk Valley Casino:
 - Hutsell, Timothy
 - c. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Indian Bingo and Casino:
 - Cape, Darrell
 - d. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino and Turf Club:
 - Cicero, Jeff
 - Coughlin, Joan
 - Friedrichs, Teresa
 - Gelwicks, Leslie
 - Malerba, Anthony
 - Oraha, Bassam
 - Safar, Tad

Deputy Director Qualset presented to the Commission for its consideration of the applications for Tribal-State Compact Key Employee Finding of Suitability Items 1a, 1b, 1c, and 1d. Commissioner Smith moved to approve the applications for Tribal-State Compact Key Employee Finding of Suitability for Items 1a, 1b, 1c, and 1d. Commissioner Sasaki seconded the motion, which was unanimously adopted.

PUBLIC COMMENT

James Kawahara, Holland & Knight, commented on regulations pertaining to emergency preparedness and specifically Uniform Tribal Regulation CGCC-7.

John Currier, Rincon San Luiseno Band of Mission Indians, commented on the regulation process in relation to the Task Force and the Association of Tribal and State Gaming Regulators.

Commissioner Sasaki reported on the two Revenue Sharing Trust Fund meetings for non-compact tribes held in Redding and Ukiah and announced two upcoming Revenue Sharing Trust Fund meetings for non-compact tribes scheduled for March 6, 2003, in San Diego and March 24, 2003, in Merced.

CLOSED SESSION

Chairman Hensley announced that there would be no closed session after Commission Counsel stated there would be no discussion on items concerning litigation under Government Code Section 11126(c) and 11126 (e).

ADJOURNMENT

Commissioner Palmer moved to adjourn the meeting. Commissioner Sasaki seconded the motion, which was unanimously adopted; the meeting was adjourned at 11:43 a.m.