

CALIFORNIA GAMBLING CONTROL COMMISSION  
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## MINUTES OF May 5, 2003 COMMISSION MEETING

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### OPEN SESSION

Commissioner Smith called the meeting of May 5, 2003, to order at 1:33p.m. with Commissioners Palmer and Sasaki present.

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

Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer, and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the April 23, 2003, Commission Meeting Minutes.

### DECISION ITEMS

1. Application for Work Permit – Request for Withdrawal:
  - a. Sonoma Joes:  
Robinson, Vicki

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 work permit for Vicki Robinson. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved, without prejudice, the request for withdrawal of the application for a work permit for Item 1a, Vicki Robinson.

2. Applications for Work Permit:

- a. Caesar's Club:  
Delgadilo, Asuncion
- b. Central Coast Casino (Grover Beach):  
Li, Yu Yu  
Little, Joshua
- c. Club San Rafael:  
Barton, Noelle
- d. Gold Rush Gaming Parlor:  
Moore, Douglas
- e. Gold Sombrero:  
Xiong, Sor
- f. Sonoma Joes:  
Le, Amanda

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 2a, Asuncion Delgadilo. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2a, Asuncion Delgadilo.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 2b, Yu Yu Li and Joshua Little. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2b, Yu Yu Li and Joshua Little.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 2c, Noelle Barton. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2c, Noelle Barton.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 2d, Douglas Moore. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2d, Douglas Moore.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for

Item 2e, Sor Xiong. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2e, Sor Xiong.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a work permit for Item 2f, Amanda Le. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a work permit for Item 2f, Amanda Le.

3. Application for Key Employee License – Request for Withdrawal:

- a. Crystal Park Casino:  
Morales, Daniel

Manager Cara Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice the request to withdrawal the application for a key employee license for Item 3a, Daniel Morales. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved, without prejudice, the request to withdrawal the application for a key employee license for Item 3a, Daniel Morales.

4. Applications for Key Employee License:

- a. Axtion Jaxson Card Room:  
Anagnos, Louis
- b. Bay 101:  
Abram, Fred  
Bosch, Thomas  
Lovaglia, Frank  
Rapp, Harry  
Sakamoto, Michael
- c. Crystal Park Casino:  
Chi, David  
Dymond, Debbie  
Hanson, Robert  
Nunley, Ralph  
Smith, James
- d. Garden City Casino:  
Rodriguez, Gilbert  
Lehr, Naida
- e. Golden West Casino:  
Perry, Wayne

- f. Hollywood Park Casino:
  - Augusta, Alexander
  - Kanama, Kayumba
  - Tran, Anthony
- g. Village Club:
  - Souza, Kelly

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Item 4a, Louis Anagnos. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a key employee license for Item 4a, Louis Anagnos.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee licenses for Item 4b, Fred Abram, Thomas Bosch, Frank Lovaglia, Harry Rapp, and Michael Sakamoto. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the applications for key employee licenses for Item 4b, Fred Abram, Thomas Bosch, Frank Lovaglia, Harry Rapp, and Michael Sakamoto.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee licenses for Item 4c, David Chi, Debbie Dymond, Robert Hanson, Ralph Nunley and James Smith. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the applications for key employee licenses for Item 4c, David Chi, Debbie Dymond, Robert Hanson, Ralph Nunley and James Smith.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee licenses for Item 4d, Gilbert Rodriguez and Naida Lehr. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the applications for key employee licenses for Item 4d, Gilbert Rodriguez and Naida Lehr.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Item 4e, Wayne Perry. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a key employee license for Item 4e, Wayne Perry.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for key employee licenses for Item 4f, Alexander Augusta, Kayumba Kanama and Anthony Tran. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the applications for key employee licenses for Item 4f, Alexander Augusta, Kayumba Kanama and Anthony Tran.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Item 4g, Kelly Souza. Upon motion of Commissioner Palmer, seconded by Commissioner Smith and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a key employee license for Item 4g, Kelly Souza.

5. Request for Approval of Certificate of Amendment of Articles of Incorporation:
  - a. Cap's Saloon: Cap's Enterprises Inc.
  - b. Club Caribe: Cudahay Gaming Inc.
  - c. Club Caribe: Casino Services Inc.

Staff deferred Item 5a, to be presented collectively with Item 7e, for consideration of the Certificate of Amendment of Articles of Incorporation and the application for renewal of a state gambling license concurrently.

The Commission tabled Items 5b, and 5c, at the request of staff to present the items collectively with the imminent application for a state gambling license for Club Caribe, for Commission's consideration at a future meeting.

6. Applications for State Gambling License:
  - a. Clovis 500: Louis Sarantos Jr. and George Sarantos, General Partnership.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a state gambling license for Item 6a, Clovis 500. Deputy Director Qualset also indicated that staff would confirm that the application fees have been paid in full prior to issuing the license. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a state gambling license for Item 6a, Clovis 500.

7. Applications for Renewal of State Gambling License:
  - a. Al's Card Room: Alfred Hester, Sole Proprietor.
  - b. As De Espadas: Rachel Herevia, Sole Proprietor.
  - c. Caesar's Club: Jose A. Cahue, Sole Proprietor.
  - d. Capitol Casino: Capitol Casino, A Corporation.
  - e. Cap's Saloon: Cap's Enterprises, Inc., A Corporation.
  - f. Empire Sportsmen Association: A Non-Profit Corporation.
  - g. Kelly's: Albert Cianfichi, Sole Proprietor.

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 7a, Al's Card Room. Deputy Director Qualset also indicated that staff would confirm that the application fees have been paid in full prior to issuing the license. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a state gambling license for Item 7a, Al's Card Room.

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend a temporary four-month approval of the application for renewal of a state gambling license for Item 7b, As De Espadas. Deputy Director Qualset further indicated that staff would request that the Division of Gambling Control provide follow-up information concerning local government issues. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission granted a temporary four-month approval of the application for renewal of a state gambling license for Item 7b, As De Espadas.

Deputy Director Qualset indicated that Item 7c, Caesar's Club, was previously issued a temporary approval for a state gambling license pending a response from the Division of Gambling Control to Commission staff's request for additional information. Deputy Director Qualset further indicated that staff has completed its review of the materials provided in the Division's response and recommends approval of the application for renewal of a state gambling license for Item 7c, Caesar's Club, for the remaining term of the license through November 30, 2003. Upon motion of Commissioner Palmer, seconded by Commissioner Smith and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for renewal of a state gambling license for Item 7c, Caesar's Club, for the remaining term of the license through November 30, 2003.

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 7d, Capitol Casino. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with

Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for a state gambling license for Item 7d, Capitol Casino.

Deputy Director Qualset indicated that the Item 7e, Cap's Saloon, currently operating under a temporary license, has been recommended for approval of the application for renewal of the state gambling license by the Division of Gambling Control. Deputy Director Qualset further indicated that since the Division has not yet responded to the Commission's request for additional information, staff recommends approval of the application for renewal of the state gambling license for the remaining term of the license through November 30, 2003, however, staff also puts forward an alternative suggestion of a temporary approval on the state gambling license. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the application for renewal of a state gambling license for the remaining term of the license through November 30, 2003, for Item 7e, Cap's Saloon.

Deputy Director Qualset presented to the Commission for its consideration the request for approval of the Certificate of Amendment of Articles of Incorporation for Cap's Saloon, initially scheduled as Item 5a. Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the Certificate of Amendment of Articles of Incorporation for Cap's Saloon. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved the Certificate of Amendment of Articles of Incorporation for Cap's Saloon.

Deputy Director Qualset indicated that staff recommends an additional three-month temporary approval of the previously issued temporary state gambling license for Item 7f, Empire Sportsmen Association. Deputy Director Qualset further indicated that staff has requested copies of tax status filings from the gambling establishment and upon completion of reviewing these documents staff will present its final recommendation to the Commission. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved an additional three-month temporary renewal, through August 30, 2003, of the state gambling license for Item 7f, Empire Sportsmen Association.

Deputy Director Qualset indicated that although the Division of Gambling Control recommends approval of the application for renewal of a state gambling license for Item 7g, Kelly's, Commission staff recommends a four-month temporary approval of the license, while a review pertaining to local issues is still pending. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the Commission approved a four-month temporary renewal of the state gambling license, through September 30, 2003, for Item 7g, Kelly's.

8. Gaming Patrons Bill of Rights.

Chief Counsel Melnicoe indicated that staff requests direction from the Commission as to whether to proceed in the development of a regulation that would relate to the means of disclosure by tribal casinos of the terms and conditions of their tort claims procedures applicable under the insurance policy required by Compact section 10.2(d). Mr. Melnicoe indicated that staff's request is in response to an issue concerning tribal casinos that has been brought to the attention of staff through news reports and various complaints submitted to the Commission by individuals, and attorneys representing clients, having sustained alleged injuries in or about tribal casinos. These sources have indicated difficulty in obtaining information necessary to file a timely claim under the insurance required by the Compacts. As an alternative to a regulation, Mr. Melnicoe suggested to the Commission the possibility of collecting each tribe's adopted procedure and making it available upon request.

The Commission directed staff to (1) prepare an analysis identifying areas within the Tribal-State Gaming Compacts that the Commission has authority to regulate under the scope of the Patrons Bill of Rights; and (2) prepare draft proposals of the regulations for the Commission to present to and confer with the Tribes.

9. Emergency Readoption and Amendment of Regulations Concerning Gambling Equipment Manufacturers or Distributors (Title 4, California Code of Regulations, Sections 12300-12310).

Item 9, was removed from the meeting calendar after Mr. Bolz announced that the Commission voted to approve the emergency readoption and amendment of the regulations at its meeting on April 23, 2003, therefore further action was not necessary.

10. Proposed Uniform Tribal Gaming Regulation: Program to Address Problem Gambling.

The Commission took no action on Item 10, which was continued to the next scheduled Commission meeting and staff was directed to contact both the California Lottery Commission and the Horse Racing Board to inquire whether these agencies have addressed issues pertaining to problem gambling.

11. Report on Proposed Regulation: Development and Implementation of Emergency Preparedness Plans for Gambling Establishments (Gambling Control Act).

The Commission took no action on Item 11, which was continued to the June 4, 2003, Commission meeting.

**PUBLIC COMMENT**

No comments were presented to the Commission during this portion of the meeting.

**CLOSED SESSION**

Commissioner Smith announced that the Commission would be going into closed session. At 2:40 p.m. the Commission adjourned to closed session after Commission Counsel stated that discussions concerning personnel issues under Government Code Section 11126(a)(1) would take place, and there would be no discussions concerning litigation under Government Code Section 11126(e).

**RECONVENE OPEN SESSION**

Commissioner Smith reconvened the open session at 3:30 p.m., and indicated that there were no announcements from closed session. Upon motion of Commissioner Smith, seconded by Commissioner Palmer and unanimously carried with Commissioners Smith, Sasaki and Palmer voting yes, the meeting was adjourned at 3:33 p.m.