

California Gambling Control Commission
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455 Golden Gate Ave, Room 5 & 6
San Francisco, CA 941072
Wednesday, August 6, 2003

MINUTES OF August 6, 2003 COMMISSION MEETING

OPEN SESSION

Acting Chairman Smith called the meeting of August 6, 2003, to order at 1:34 p.m. with Commissioners Palmer and Sasaki present.

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

A motion to approve the July 9, 2003, Commission meeting minutes was made by Commissioner Sasaki and seconded by Acting Chairman Smith, with both Acting Chairman Smith and Commissioner Sasaki voting yes and Commissioner Palmer voting no.

A motion to approve the July 23, 2003, Commission meeting minutes was made by Commissioner Sasaki and seconded by Acting Chairman Smith, with both Acting Chairman Smith and Commissioner Sasaki voting yes and Commissioner Palmer voting no.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Empire Sportsmen Association:
 - Kong, Mardy
 - Phuon, Lim
 - Sim, Chandara
 - Yon, Sambath

- b. Gold Sombrero Card Room:
Lo, Liza
- c. Lake Bowl Card Room:
Stump, Emily
- d. Napa Valley Casino:
Roeun, Vong
- e. Sonoma Joes:
Cramer, Howard
Owen, Michael

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 1a, Mardy Kong, Lim Phuon, Chandara Sim, Sambath Yon, Item 1b, Liza Lo, Item 1c, Emily Stump, Item 1d, Vong Roen, and Item 1e, Howard Cramer and Michael Owen.

Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the applications for a work permit for Item 1a, Mardy Kong, Lim Phuon, Chandara Sim, Sambath Yon, Item 1b, Liza Lo, Item 1c, Emily Stump, Item 1d, Vong Roen, and Item 1e, Howard Cramer and Michael Owen.

- 2. Application for Key Employee License – Request for Withdrawal:
 - a. Golden West Casino:
Tahara, Danny

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval, without prejudice, of the request for withdrawal of the application for a key employee license for Item 2a, Danny Tahara. Deputy Director Qualset further indicated that upon approval of the request for withdrawal, staff would request that a refund of any unearned background investigation deposit be made to the payor. Upon motion of Commissioner Sasaki, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved, without prejudice the request for withdrawal of the application for a key employee license for Item 2a, Danny Tahara.

- 3. Applications for Key Employee License:
 - a. California Commerce Casino:
Liu, Howard

- b. Garden City Casino:
Kakimoto, Alan
- c. Golden West Casino:
Watkins, Randy
- d. Hollywood Park Casino:
Ito, Taro Jun
- e. Normandie Casino:
Kobayashi, Gary
Shumsky, Sherwin

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 3a, Howard Liu. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 3a, Howarde Liu.

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 3b, Alan Kakimoto. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 3b, Alan Kakimoto.

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 3c, Randy Watkins. Upon motion of Commission Palmer, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 3c, Randy Watkins.

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 3d, Taro Jun Ito. Upon motion of Commissioner Palmer, seconded by Acting Chairman Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 3d, Taro Jun Ito.

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 3e, Gary Kobayashi and Sherwin Shumsky. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for a key employee license for Item 3e, Gary Kobayashi and Sherwin Shumsky.

4. Applications for Renewal of State Gambling License:

- a. Big Tomato Card Club: Peter Mikacich, Sole Proprietor
- b. Empire Sportsmen Association: A Non-Profit Corporation
- c. Garlic City Card Club: GCC Holdings, Inc., A Corporation
- d. Gold Rush Gaming Parlor: Sue Barrows, Sole Proprietor
- e. La Fuerza: Eusebio Rodriguez, Sole Proprietor
- f. Livermore Casino: Sidney Ahn, Sole Proprietor
- g. Mortimer's Card Room: Edward Williamson and Ok Heui Hanna, General Partnership
- h. Players Poker Club: Monica Donohoo, Sole Proprietor
- i. Rancho's Club: Ruben and Blanca Marquez, Sole Proprietors
- j. Rogelio's, Inc.: Rogelio's Inc., A Corporation
- k. Rooney's Cardroom: Walter Yee, Sole Proprietor
- l. St Charles Place: James E. Roos, 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 4a, Big Tomato Card Club. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4a, Big Tomato Card Club.

Deputy Director Qualset indicated that Item 4b, Empire Sportsmen Association, previously approved for temporary licensure was being recommend by both the Division of Gambling Control and Commission staff for approval of the application to renew the state gambling licensed for the remaining term of the license through November 30, 2003. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki 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 4b, Empire Sportsmen Association.

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, Garlic City Card Club. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4c, Garlic City Card Club.

Deputy Director Qualset indicated that the Division of Gambling Control was not prepared to make a recommendation on the application for license renewal for Item 4d, Gold Rush Gaming Parlor, because completion of their review was pending as a result of the license renewal application being submitted late by the applicant. Deputy Director Qualset further indicated that, pending completion of both the Division and Commission staff's review of the application, staff recommends a temporary approval of the license through November 30, 2003. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith, and unanimously carried with Acting Chairman Smith and both Commissioners Palmer and Sasaki voting yes, the Commission approved a temporary three-month renewal of the license through November 30, 2003, for Item 4d, Gold Rush Gaming Parlor.

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, La Fuerza. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4e, La Fuerza.

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, Livermore Casino. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4f, Livermore Casino.

Deputy Director Qualset indicated that the Division of Gambling Control was not prepared to make a recommendation on the application for license renewal for Item 4g, Mortimer's Card Room, because completion of their review was pending as a result of the license renewal application being submitted late by the applicant.

Deputy Director Qualset further indicated that, pending completion of both the Division and Commission staff's review of the application, staff recommends a temporary approval of the license through November 30, 2003. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki, and unanimously carried with Acting Chairman Smith and both Commissioners Palmer and Sasaki voting yes, the Commission approved a temporary three-month renewal of the license through November 30, 2003, for Item 4g, Mortimer's Card Room.

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, Players Poker Club. Upon motion of Acting Chairman Smith, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4h, Players Poker Club.

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 4i, Rancho's Club. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4i, Rancho's Club.

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 4j, Rogelio's, Inc. Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4j, Rogelio's Inc.

No action was taken on Item 4k, Rooney's Cardroom. The Commission had the matter continued to the August 25, 2003, Commission meeting.

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 4l, St Charles Place. Upon motion of Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission approved the application for renewal of a state gambling license for Item 4l, St Charles Place.

5. Emergency Regulation Concerning Increase in Work Permit Application Fee (Gambling Control Act).

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented to the Commission the staff recommendation to adopt the proposed Finding of Emergency and the proposed emergency regulation concerning an Increase in Work Permit Application Fees under the Gambling Control Act. Mr. Bolz indicated the emergency

regulation would increase the application fee from \$75 to \$250, the maximum allowable amount under Statute for a work permit application fee. Mr. Bolz further indicated that the emergency regulation was being proposed by staff to begin to defray a greater portion of the ongoing costs for processing work permit applications.

Andrew Schneiderman, Commerce Casino, commented in opposition to the proposed emergency regulation's fee increase amount of \$250, indicating that the expense was extraordinary.

Will Wilkenson, California Grand Casino, commented on the proposed regulation, indicating that the proposed application fee increase would be less burdensome if the license term was increased to become valid for a three-year period.

Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission adopted the Finding of Emergency Concerning Increase in Work Permit Fee and the Proposed Emergency Regulation To Increase The Work Permit Application Fee From \$75 To \$250. A copy of the Finding of Emergency Concerning Increase in Work Permit Fee and the Proposed Emergency Regulation To Increase The Work Permit Application Fee From \$75 to \$250 as adopted by the Commission is incorporated into the minutes as Attachment A and Attachment B respectively.

6. Emergency Regulation Concerning State Gambling License Renewal Application Fee (Gambling Control Act).

Senior Legal Counsel and Regulations Coordinator Herb Bolz presented to the Commission staff's recommendation to adopt the proposed Finding of Emergency and the Proposed Emergency Regulation Concerning State Gambling License Renewal Application Fee under the Gambling Control Act. Mr. Bolz indicated that the proposed emergency regulation conforms to the Gambling Control Act provisions for collection of a \$500 application fee upon renewal and also would require each licensee endorsed upon a state gambling license to file an individual application for renewal.

Upon motion of Commissioner Palmer, seconded by Commissioner Sasaki and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the Commission directed staff to incorporate a cost analysis on license renewal processing into the Finding of Emergency Concerning State Gambling License Renewal Application Fee, prior to filing with the Office of Administrative Law,

and adopted the Finding of Emergency Concerning State Gambling License Renewal Application Fee with the incorporated cost analysis and the Emergency Regulation Concerning State Gambling License Renewal Application Fee. A copy of the Emergency Regulation Concerning State Gambling License Renewal Application Fee is incorporated into the minutes as Attachment C.

7. Emergency Regulation Concerning State Gambling License Renewal Application Form (Gambling Control Act).

Herb Bolz, Senior Legal Counsel and Regulations Coordinator, gave an oral report on the status of the rulemaking process for the proposed emergency regulation: State Gambling License Renewal Application Form under the Gambling Control Act. Mr. Bolz indicated that staff was working on the form development with intent to present the proposed emergency regulation for Commission consideration at the August 25, 2003, Commission meeting. The Commission took no action on Item 7.

8. Emergency Regulation Concerning "Third Party Providers of Proposition Player Services: Interim Registration" (Gambling Control Act).

Chief Counsel Melnicoe presented Item 8 to the Commission for discussion regarding the staff proposal for an emergency regulation concerning Third Party Providers of Proposition Player Services: Interim Registration, under the Gambling Control Act. The Commission took no action on Item 8.

Andrew Schneiderman, Commerce Casino, commented on the proposed emergency regulation draft including comments on the definition of a Prop Player, registration eligibility, and a site-specific registration.

David Fried, Oaks Cardroom and Casino, commented indicating concerns primarily regarding the 90-day contract review period.

Danny Acosta, San Jose Police Department, commented indicating concerns regarding Sections 12205(a)(5) and 12207(c).

Richard Teng, San Jose Police Department, commented on the proposed emergency regulation draft indicating concerns that the regulation did not address certain issues concerning inspection of gaming equipment as evidence.

Alan Titus, Robb & Ross, commented on the proposed emergency regulation draft and submitted written comments that have been incorporated into the minutes as

Attachment D.

A copy of the proposed emergency regulation concerning Third Party Providers of Proposition Player Services: Interim Registration is incorporated into the minutes as Attachment E.

9. Readoption of Uniform Tribal Gaming Regulation CGCC-7 (Emergency/Evacuation Plans) and Adoption of Written Response to Objections of the Association of Tribal and State Gaming Regulators to CGCC-7, for Submission to all Compact Tribes (Tribal-State Gaming Compact Section 8.4.1(b),(c), and (d)).

There were no discussion concerning Item 9, and no action was taken by the Commission.

CONSENT CALENDAR

None.

PUBLIC COMMENT

There was no comment from the public during this portion of the meeting.

CLOSED SESSION

Commissioner Smith announced that the Commission would be going into Closed Session. At 3:20 p.m. the Commission adjourned to closed session after Commission Counsel stated that discussions concerning personnel issues under Government Code sections 11126(a), subsection (1), would take place.

ADJOURNMENT

Commissioner Smith reconvened the open session at 4:00 p.m., and indicated that there were no announcements from closed session. Upon a motion to adjourn the meeting by Commissioner Sasaki, seconded by Commissioner Palmer and unanimously carried with Acting Chairman Smith and Commissioners Palmer and Sasaki voting yes, the meeting was adjourned at 4:04 p.m.