

California Gambling Control Commission
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2399 Gateway Oaks Drive, Suite 100
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Thursday, June 9, 2004

MINUTES OF June 9, 2004
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of June 9, 2004, to order at 1:30 p.m., with Commissioners Palmer, Sasaki and Smith present.

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

Upon motion of Commissioner Sasaki seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki and Smith voting yes, the Commission adopted the May 5, 2004, Commission meeting minutes.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Brooks Oceana Cardroom:
Wall, Stacy
 - b. Central Coast Casino:
Oxsen, Emily
 - c. Gold Rush Gaming Parlour:
St. James, David
 - d. Gold Sombrero:
Xiong, Maypia
 - e. Outlaws Card Parlour:
Simpson, David

- f. Sonoma Joes:
 - i. Berhe, Filmon
 - ii. Convey, Adriana
 - iii. Fernandez, Robert
 - iv. McKinnie, Maxann
 - v. Rink, Amy

Deputy Director Qualset indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Items 1a, Stacy Wall, 1b, Emily Oxsen, 1c, David St. James, 1d, Maypia Xiong, 1e, David Simpson, and 1f, Filmon Berhe, Adriana Convey, Robert Fernandez, Maxann McKinnie, and Amy Rink. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki and Smith all voting yes, the Commission approved the applications for a work permit for Items 1a, Stacy Wall, 1b, Emily Oxsen, 1c, David St. James, 1d, Maypia Xiong, 1e, David Simpson, and 1f, Filmon Berhe, Adriana Convey, Robert Fernandez, Maxann McKinnie, and Amy Rink.

- 2. Application for Third-Party Providers of Proposition Player Services Registration:
 - a. Pacific Palace, Inc.:
Chen, Zhou

Deputy Director Qualset indicated that staff has determined that Item 2a, Zhou Chen is ineligible for registration for Third-Party Providers of Proposition Player Services and shall have his registration canceled in accordance with Title 4, California Code of Regulations section 12205(a). Therefore staff recommends the Commission cancel the registration of Mr. Chen as an owner in accordance with provisions set forth in Title 4, California Code of Regulations section 12205(a). Upon motion of Commissioner Palmer, seconded by Commissioner Smith and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki and Smith the Commission cancelled the registration for Third-Party Providers of Proposition Player Services for Item 2a, Zhou Chen.

- 3. Final Adoption of Accounting and Financial Reporting Regulation.

Senior Legal Counsel Herb Bolz presented staff's recommendation that the Commission adopt the proposed Final Text, Revision 1, of the Accounting and Financial Reporting Regulation (Title 4, California Code of Regulations Section 12400

et seq.).

Teri Sue Canale, Division of Gambling Control, commented on the proposed regulations indicating that the regulations establish crucial accounting standards for licensees that enable Division audit staff to conduct audits of gambling establishments.

Ms. Canale further indicated the Division supports the idea of holding training workshops for the industry once the regulation goes into effect.

A motion to approve the proposed Final Text Revision 1 of the Accounting and Financial Reporting Regulation for filing with the Office of Administrative Law was made by Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes, the Commission adopted the proposed regulation. A copy of the regulation as adopted is incorporated into the minutes as Attachment A.

4. Emergency Regulation Concerning Emergency Preparedness and Evacuation Plans for Cardrooms.

Senior Legal Counsel Bolz gave an oral report on the status of the emergency regulations: "Emergency Preparedness and Evacuation Plans for Cardrooms." Mr. Bolz indicated that although the Commission received no comments concerning the proposed regulations at the public hearing held earlier that same day, Commission staff had been contacted by the State Fire Marshal who had suggested a change to the regulation that would require cardrooms to turn in their emergency preparedness plans to the local fire department for its review. Mr. Bolz indicated that staff was currently reviewing this and would come back to the Commission for its consideration on adoption of the amended regulation and to open the 15-day public comment period.

5. Preliminary Discussion on Interpretation of the Term "commercial operation" as Used in the Tribal-State Gaming Compact Section 4.3.2.2(e).

Deputy Director Qualset indicated that discussion of agenda Item 5 was intended to initiate the collaborative process to discuss the meaning of the term "commercial operation" as it relates to licenses to operate gaming devices under the terms of the Compacts.

Chairman Shelton indicated that he wants the Commission to hold workshops with the effected tribes at various regions within the state to discuss: (1) interpretation of the term "commercial operation," and (2) multi-terminal gaming devices. Chairman Shelton

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| | Battaglia, Marc | Nguyen, Souksomphone |
| | Ferguson, James | Reno, John |
| | Hong, Lynda | Thich, Yen |
| | Le, Diem | Vince, Suzanne |
| r. | San Manuel Band of Mission Indians – San Manuel Casino: | |
| | Armstrong, Timothy | Lugo III, Louis |
| | Bott, James | Malone, Linda |
| | Branscome, Daniel | Muehter, Paul |
| | Brown, Chris | Nelson, John |
| | Charles, Rufina | Shearer, Ryan |
| | Cumberbatch, June | Shin, Seung |
| | Garcia, Hector | Spalding, Rebecca |
| | Graham, Robin | Tonjes, Kenne |
| | Hicks, Randy | Wamsley, Neal |
| | Hodge, Thomas | White II, Otho |
| | Humphries, Samuel | Williams, Gregory |
| | Lebron, Ramona | |
| s. | San Pasqual Band of Diegueno Mission Indians – Valley View Casino: | |
| | Alvarado, Christopher | |
| | Pelletier, James | |
| | Vernon, Graham | |
| t. | Sherwood Valley Rancheria of Pomo Indians – Black Bart Casino: | |
| | Gunter, Cindy | |
| | McClellan, Rhonda | |
| u. | Soboba Band of Luiseno Indians – Soboba Casino: | |
| | Garcia, Robert | McDonald, Shawn |
| | Hellerstein, Scott | Nelson, Paul |
| | Llorente, Sara | Weiss, Russell |

Deputy Director Qualset presented the Consent Calendar to the Commission for its consideration of the applications for (1) renewal of a work permit and the (2) Tribal-State Compact key employee findings of suitability. Upon motion of Commissioner Sasaki, seconded by Commissioner Smith and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki, and Smith voting yes the Commission approved the Consent Calendar.

PUBLIC COMMENT:

There were no comments from members of the public during this portion of the meeting.

CLOSED SESSION:

Chairman Shelton announced that the Commission would adjourn to Closed Session. At 1:50 p.m. the Commission adjourned to Closed Session.

RECONVENE TO OPEN SESSION

Chairman Shelton reconvened the open session at 3:32 p.m. with Commissioners Palmer, Sasaki and Smith present.

1. Appointment of Commission's Audit Committee and Members.

Chairman Shelton announced the appointment of Commissioner Palmer as liaison to the audit committee.

2. Commissioner Comments.

Commissioner Sasaki requested a review of the impact to California casinos resulting from Nevada's Black Book of patrons excluded from Nevada casinos and the potential of these patrons coming to California to gamble, as well as the Commission's ability to develop regulations for the purpose of developing and maintaining a Black Book.

Commissioner Smith indicated that he had received some materials while attending the North America Gaming Regulators Association meeting and that he would be distributing this to the Commissioners and staff.

3. Commission Staff Comments.

There were no comments from staff.

ADJOURNMENT:

Upon motion of Commissioner Smith, seconded by Commissioner Palmer and unanimously carried with Chairman Shelton and Commissioners Palmer, Sasaki and Smith voting yes, the Commission meeting adjourned at 3:37 p.m.