

California Gambling Control Commission
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Wednesday, January 25, 2005

MINUTES OF JANUARY 25, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of January 25, 2005, to order at 1:32 p.m., with Commissioners Sasaki, Smith, and Williams present.

Staff Participating: John Spittler, Commission Counsel and Acting Deputy Director, Licensing Division, Gary Qualset, Deputy Director, Compliance Division, Heather Hoganson, Commission Counsel, Legal Division, and Eugene Balonon, Executive Director.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Gold Rush Gaming Parlor:
Lohman, Sean
Turner, Jesse
 - b. River Card Room:
Laos, Justo
Thompson, Traci
 - c. The 101 Casino:
Cheykim, Pichmony

Acting Deputy Director John Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Sean Lohman and Jesse Turner, Item 1.a., Justo Laos and Traci Thompson, Item 1.b., and Pichmony Cheykim, Item 1.c. Commissioner Smith moved to approve the applications for work permits and Commissioner Sasaki seconded the motion.

Commissioner Williams requested to have Justo Laos, Item 1.b., removed from the calendar and tabled until the Division verifies whether Mr. Laos continued to work in a

card room, in violation of law, at any time during the period that his work permit had expired from October 2003 to November 2004.

Commissioner Smith, in response to Commissioner Williams concerns, amended his motion to approve the applications for a work permit for Sean Lohman and Jesse Turner, Items 1.a., Traci Thompson, Item 1.b., and Pichmony Cheykim, Item 1.c. Commissioner Sasaki amended her seconded to the motion which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith and Williams voting yes the Commission approved the applications for a work permit for Sean Lohman and Jesse Turner, Items 1.a., Traci Thompson, Item 1.b., and Pichmony Cheykim, Item 1.c. Justo Laos, Item 1.b., was tabled for further review.

2. Applications for Key Employee License:

- a. Casino Real:
Baron, Julie
- b. Comstock Card Room:
Flores, Robert
- c. Diamond Jim's Casino:
Berry, Patrick
Suwanjinda, Panu
- d. Garden City Casino:
Brandin, Aileen
- e. Ocean's Eleven Casino:
Kerrigan, Joshua
- f. Phoenix Casino and Lounge:
Lay, Trey

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a key employee license for Julie Baron, Item 1.a., Robert Flores, Item 2.b., Patrick Berry and Panu Suwanjinda, Item 2.c., Aileen Brandin, Item 2.d., Joshua Kerrigan, Item 2.e., and Trey Ley, Item 2.f. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved the applications for a key employee license for 1.a., Robert Flores, Item 2.b., Patrick Berry and Panu Suwanjinda, Item 2.c., Aileen Brandin, Item 2.d., Joshua Kerrigan, Item 2.e., and Trey Ley, Item 2.f.

3. Application for State Gambling License:

- a. Hustler Casino: El Dorado Enterprises, Inc.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a state gambling

license for Hustler Casino, Item 3.a. Upon motion of Chairman Shelton, seconded by Commissioner Smith and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved the application for a state gambling license Hustler Casino, Item 3.a.

4. Applications for Renewal of State Gambling License:

- a. Club Caribe: S & S Gaming, Inc., Corporation
- b. Crystal Park Casino: California Casino Management Inc., Corporation
- c. Hollywood Park Casino: Century Management Inc., Corporation
- d. Lucky Buck Card Club: Dale Common, Sole Proprietor
- e. Phoenix Casino and Lounge: Phoenix Casino and Lounge Inc., Corporation

Acting Deputy Director Spittler indicated that the Division of Gambling Control recommends a temporary approval of the state gambling license for Club Caribe, Item 4.a., for the period of February 1, 2005 through April 30, 2005 to allow the Division to time to finalize its investigation. Acting Deputy Director Spittler further indicated that Commission staff concurred with the Division's recommendation. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved a temporary renewal of the state gambling license for Club Caribe, Item 4.a., for the period of February 1, 2005 through April 30, 2005.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Crystal Park Casino, Item 4.b. under either staff recommendation Option A or staff recommendation Option B, which he presented to the Commission as follows:

Option A: Staff recommends the Commission approve a state gambling license to the owners of Crystal Park Casino valid from January 1, 2005 and expiring on February 28, 2006 (14 months) based on the following conditions:

Licensee must pay the annual table fees pursuant to Business & Profession Code Section 19876(a) and will not operate from January 1, 2006 to February 28, 2006 unless fees in the amount of \$6,450 are paid no later than December 1, 2005.

Option B: Staff recommends the Commission approve a state gambling license to the owners of the Crystal Park Casino valid from January 1, 2005 and expiring December 31, 2005.

Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission adopted Option A with the condition indicated by staff, thereby approving renewal of a conditional state gambling license for Crystal Park Casino for the period of January 1, 2005 through February 28, 2006.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Hollywood Park Casino, Item 4.c. Chairman Shelton indicated that his motion to adopt the staff recommendation was for the purpose of allowing discussion to take place on the item being considered. Commissioner Smith stated that he seconded the motion for the purpose of discussing the item and indicated concerns regarding a civil lawsuit settlement involving an alleged wrongful termination. Chairman Shelton indicating similar concerns amended his motion to approve a three-month temporary renewal of the state gambling license through March 31, 2005, for Hollywood Park Casino, Item 4.c., pending further investigation a feedback to the Commission on the issues. Commissioner Smith amended his second to the motion which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes; The Commission approved a three-month temporary renewal of the state gambling license for Hollywood Park Casino, Item 4.c.

Acting Deputy Director Spittler indicated that the Division of Gambling Control recommends a temporary three-month renewal of the state gambling license for Lucky Buck Card Club, Item 4.d., to allow the Division time to complete its investigation. Acting Deputy Director Spittler further indicated that Commission staff concurred with the Division's recommendation. Upon motion of Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission approved a temporary three-month renewal of the state gambling license for the period of February 1, 2005 through April 30, 2005 for Lucky Buck Card Club, Item 4.d.

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of a four-month conditional state gambling license, issued on February 1, 2005 through May 31, 2005, to the owner of Phoenix Casino and Lounge, Item 4.e., with the following conditions:

1. *Licensee must submit to the Commission a written correction plan for all outstanding violations within 30 days of licensure. Licensee will also provide to the Commission copies of all written correction notices at the same time as each is submitted to the Division.*
2. *Licensee must submit a copy of all gambling enterprise employees locally issued work permits to the Commission on a quarterly basis.*
3. *Licensee must submit a copy of all advertisements promoting jackpots and/or promotions to the Division of Gambling Control on a monthly basis.*
4. *Licensee is prohibited from extending credit to employees of the gambling establishment.*

Commissioner Williams, indicating that his motion was for the purpose of allowing discussion to take place concerning the renewal application, moved to adopt the staff recommendation. Commissioner Smith seconded the motion and discussion among the Commissioners ensued concerning Phoenix Casino and Lounge, Item 4.e.

The motion made by Commissioner Williams and seconded by Commissioner Smith carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, and Smith voting yes, Commissioners Williams voting no. The Commission approved a four-month conditional state gambling license for Phoenix Casino and Lounge, Item 4.e. with conditions as indicated by staff applied to the license.

5. Applications for Tribal-State Compact Gaming Resource Supplier Finding of Suitability:
 - a. American Gaming and Electronics, Inc.: Anthony Spier, George Toma, Marshall Burman, Frank Martin, Jerry Kalov, Nevada Corporation
 - i. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino
 - ii. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino
 - iii. Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino
 - iv. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino
 - v. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center
 - vi. Morongo Band of Cahuilla Mission Indians of the Morongo

- Reservation – Casino Morongo
- vii. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa
- viii. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino
- ix. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort
- b. Atronic Americas, LLC: Paul Gauselmann, Michael Gauselmann, Rolf Klung, Joseph Bailo, Michael Lauer, Limited Liability Company
 - i. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino
 - ii. Alturas Indian Rancheria – The Desert Rose Casino
 - iii. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino
 - iv. Berry Creek Rancheria of Maidu Indians – Gold Country Casino
 - v. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Big Valley Rancheria
 - vi. Blue Lake Rancheria – Blue Lake Casino and Bingo
 - vii. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino
 - viii. Cahto Indian Tribe of the Laytonville Rancheria – Red Fox Casino
 - ix. Cahuilla Band of Mission Indians of the Cahuilla Reservation – Cahuilla Creek Casino
 - x. Campo Band of Mission Indians of the Cahuilla Reservation – Golden Acorn Casino Travel Center
 - xi. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort Casino
 - xii. Chicken Ranch Rancheria of Me-Wuk Indians of California – Chicken Ranch Casino
 - xiii. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino
 - xiv. Elk Valley Rancheria – Elk Valley Casino
 - xv. Hopland Band of Pomo Indians – Shokawah Casino and Bingo
 - xvi. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center
 - xvii. Middletown Rancheria of Pomo Indians of California – Twine Pine Casino
 - xviii. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo
 - xix. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa
 - xx. Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino

- xxi. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation – Casino Pauma
- xxii. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino
- xxiii. Picayune – Chuckchansi Indians – Chuckchansi Gold
- xxiv. Pit River Tribe – Pit River Casino
- xxv. Redding Rancheria – Win-River Casino
- xxvi. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort
- xxvii. Robinson Rancheria of Pomo Indians of California – Robinson Rancheria Casino and Bingo
- xxviii. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort
- xxix. San Manuel Band of Mission Indians – San Manuel Casino
- xxx. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino
- xxxi. Santa Rosa Indian Community of the Santa Rosa Rancheria – The Palace
- xxxii. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino
- xxxiii. Sherwood Valley Rancheria of Pomo Indians of California – Black Bart Casino
- xxxiv. Soboba Band of Luiseno Indians- Soboba Casino
- xxxv. Susanville Indian Rancheria – Diamond Mountain Casino
- xxxvi. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort
- xxxvii. Table Mountain Rancheria – Table Mountain Casino
- xxxviii. Tule River Indian Reservation – Eagle Mountain Casino
- xxxix. Tuolumne Rancheria – Black Oak Casino
 - xl. Twenty Nine Palms Band of Mission Indians of California – Trump 29 Casino
 - xli. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino
 - xl. Viejas (Barona Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club

Acting Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for American Gaming and Electronics, Inc., Item 5.a. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes the Commission

approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for American Gaming and Electronics, Inc., Item 5.a.

At the request of Commissioner Sasaki, Atronic Americas, LLC, Item 5.b., was tabled for further investigation and to be brought back to the Commission for its consideration at a future meeting.

6. Revenue Sharing Trust Fund Report of Distribution to Non-Compact Tribes.

Deputy Director Qualset presented the Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended December 31, 2004, to the Commission for its consideration of the following recommendation:

It is recommended that:

1. *the Commission approve distribution of the current full quarterly amount of approximately \$8.32 million of all payments made by tribes and any interest income received by the Indian Gaming Revenue Sharing Trust Fund (IGRSTF) during the most recent quarter ended December 31, 2004, to the listed tribes that are determined to be eligible Non-Compact Tribes in accordance with the Commission's identified methodology for determining a Non-Compact Tribe as shown in Exhibit 1 attached to this report, and any interest accrued for previously approved distributions held in abeyance in the IGRSTF but not immediately disbursed, and*
2. *approval of distributions shall be made on a conditional basis subject to receipt of any required eligibility certification of the maximum number of gaming devices operated during the quarter by each tribe that is required to submit a completed certification form.*

Upon motion of Commissioners Sasaki, seconded by Commissioner Smith and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes, the Commission approved the Revenue Sharing Trust Fund Report of Distribution of Funds to Non-Compact Tribes for the Quarter Ended December 31, 2004. A copy of the report is incorporated into the minutes as Attachment A.

Staff Reports:

- a. Report on Rulemaking Calendar for 2005.
- b. Report on Workshops Concerning the Interpretation of the Term "Gaming Device" as Used in the Tribal-State Gaming Compact.

Staff Counsel Hoganson presented to the Commission for discussion, the proposed rulemaking calendar prepared by staff identifying topics for regulation that are planned for formal Administrative Procedure Act notice and comment procedures for 2005. A copy of the 2005 Rulemaking Calendar as proposed is incorporated into the minutes as Attachment B.

Eugene Balonon, Executive Director, presented an oral report to the Commission on the interpretation of the term "Gaming Device" as used in the Tribal-State Gaming Compacts. Executive Director Balonon indicated that approximately 68 individuals from various tribes attended one of the two workshops held in Sacramento and San Diego by the Commission on the issue. Mr. Balonon, indicating that subsequent to the two workshops the Commission received as few as five written comments, made another request to the tribes for their input. Mr. Balonon informed the Commission that its Legal Division was currently researching the issue and he anticipates coming back to the Commission with a recommendation at its meeting tentatively scheduled for February 16, 2005.

CONSENT CALENDAR ITEMS:

1. Applications for Renewal of Work Permit:
 - a. Caesar's Club:
Delgadillo, Asuncion
 - b. Empire Sportsmen's Association:
Jacobs, Peter
 - c. Gold Sombrero:
Vargas, Eddie
 - d. Outlaws Card Parlour:
Little, Joshua
 - e. Poker Flats Casino:
Alonzo, Misty
Vargas, Tawni
 - f. The 101 Casino:
Mok, Barry
Wetherow, William

2. Applications for Tribal-State Compact Key Employee Finding of Suitability:
 - a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:
Pendleton, Gregory
 - b. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:
Lourn, Mia
 - c. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino:
McKennon, James
Sandoval, Maria
 - d. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino:
Fierro, Ophelia
Grissom, Katherine
Jaime-Calderon, Janet
 - e. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort and Casino:
Vincent, Gary
 - f. Chicken Ranch Rancheria of Me-Wuk Indians of California – Chicken Ranch Casino:
Mariscal, David
 - g. Elk Valley Rancheria – Elk Valley Casino:
Gary, Glenn
 - h. Hopland Band of Pomo Indians of the Hopland Rancheria – Sho-Ka-Wah Casino:
Elliott, Joseph
Hatfield, Michael
 - i. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
Garcia, Robert
 - j. Paskenta Band of Nomlaki Indians of California – Rolling Hills Casino:
Felix, Arthur
Fox, Mary
 - k. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino:
Gessford, Scott
Miranda, Raymond
Vaughter, George
 - l. Quechan Tribe of the Fort Yuma Indian Reservation – Paradise Casino:
Lawrence, Jerry

- m. Redding Rancheria – Win-River Casino:
Fields, Thomas
Perez, Cynthia
- n. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah’s Rincon Casino and Resort:
Roland, David
Stratton, Michael
- o. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
Corteza, Henry
Thompson, James
- p. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
McIntosh, Raymond
- q. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino Resort:
Jackson, Robert
- r. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort:
Evans, Jeanna
- s. Table Mountain Rancheria of California – Table Mountain Casino:
Lyons, Jennifer
- t. Twenty-Nine Palms Band of Mission Indians of California – Trump 29 Casino:
Kounovsky, Jon
- u. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
Everett, Keith
Hall, Myron
Hollman, Michael
Jalandoni, Aurora
Keo, So
Matthews, Barry
Pham, Anthony
Phui, Michael
Ramey, Sooneun
Saechao, Steve
Vossler, Michele
- v. Viejas (Barona Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
Birdsall, Jasen
Brown, Suzanne
Cloud, Mary
Cunnington, Michele
Gonsalves, Josephine

3. Applications for Tribal-State Compact Key Employee Finding of Suitability-Renewal:
 - a. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – Agua Caliente Casino:

Cain, Robert	Metzger, James
Calvert, Dan	Moore, Dennis
Christie, Lynnette	Ramoran, Joel
Claymier, Diane	Sandoval, Romualda
Cole, David	Schwartz, Christopher
Easterwood, William	Sgro, Judy
Kettler, Kenneth	Smith, Douglas
Koven, Steve	Stairs, Clara
Libby, Richard	Styve, Scott
Lorton, Christopher	Tovar, Jesse
Martin, Noreen	Williams, James
McCool, Gary	
 - b. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:

Novaky, Zoltan
 - c. Redding Rancheria – Win-River Casino:

Hayward, Lawana

Acting Deputy Director Spittler presented the Consent Calendar to the Commission for its consideration of the applications for renewal of a work permit, Tribal-State Compact Key Employee Finding of Suitability and renewal of Tribal-State Compact Key Employee Finding of Suitability. Upon motion of Commissioner Smith, seconded by Chairman Shelton and unanimously carried with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes; the Commission approved the Consent Calendar.

PUBLIC COMMENT:

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

CLOSED SESSION:

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e) that required discussions.

1. Commissioner Comments.

There were no comments from the Commissioners.

ADJOURNMENT:

Upon motion to adjourn the meeting by Commissioner Smith, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Smith, and Williams voting yes; the meeting adjourned at 2:32 p.m.