

California Gambling Control Commission  
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2399 Gateway Oaks Drive, Suite 100  
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Wednesday, March 23, 2005

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**MINUTES OF MARCH 23, 2005**  
**COMMISSION MEETING**

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**OPEN SESSION**

Chairman Shelton called the meeting of March 23, 2005, to order at 1:30 p.m., with Commissioners Sasaki and Williams present.

Staff Participating: Cara Podesto, Manager, Licensing Division, Eugene Balonon, Executive Director, and Cy Rickards, Chief Counsel, Legal Division.

**DECISION ITEMS**

1. Applications for Work Permit:
  - a. The 101 Casino:  
Kelly, Adam  
Lombard, Kim  
Pane, Desiree
  - b. Empire Sportsmen's Association:  
Logn, Paul  
Yean, Paula
  - c. Napa Valley Casino:  
Mabingnay, Vernita

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Adam Kelly, Kim Lombard and Desiree Pane, Item 1.a., Paul Logn and Paula Yean, Item 1.b., and Vernita Mabingnay, Item 1.c. Upon motion of Commissioner Williams, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the applications for a work permit for Adam Kelly, Kim Lombard and Desiree Pane, Item 1.a., Paul Logn and Paula Yean, Item 1.b., and Vernita Mabingnay, Item 1.c.

2. Applications for Key Employee License:
  - a. Capital Casino:
    - i. Gates, Thomas
  - b. Hawaiian Gardens Casino:
    - i. Grout, Nancy
  - c. Palace Card Club:
    - i. Blanchard, B. Charles
    - ii. Roberts, William
  - d. Palomar Card Club:
    - i. Tran, Tom Trung
  - e. Rancho's Club:
    - i. Marquez-Zeller, Monica

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Thomas Gates, Item 2.a. Upon motion of Commissioner Williams, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairmen Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the applications for a work permit for Thomas Gates, Item 2.a.i.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Nancy Grout, Item 2.b. Commissioner Sasaki moved to approve the application for a key employee license for Nancy Grout Item 2.b. Commissioner Williams seconded the motion. In the call for a vote the motion failed to carry with Chairman Shelton voting no and Commissioners Sasaki and Williams voting yes.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a key employee license for Charles B. Blanchard, Item 2.b.i. and William Roberts, 2.b.ii. Chairman Shelton, indicating his motion was for discussion purposes, moved to adopt the staff recommendation. Commissioner Sasaki seconded the motion. Chairman Shelton stated his concerns whether Charles Blanchard satisfied a past debt to the Internal Revenue Service and, indicating that consideration of the key employee license for Mr. Blanchard should be tabled pending further investigation regarding the issue, withdrew his motion. Commissioner Sasaki withdrew her second and then moved to approve the application for a key employee license for William Roberts, Item 2.b.ii. Commissioner Williams seconded the motion, which unanimously carried in the call

for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the application for a key employee license for William Roberts item 2.b.ii. Consideration of the application for Charles B. Blanchard, Item 2.c.i., was tabled.

Commission consideration of the application for a key employee license for Tom Trung Tran, Item 2.d.i. was tabled by Chairman Shelton for further investigation.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Monica Marquez Zeller, Item 2.e.i. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the application for a key employee license for Monica Marquez Zeller, Item 2.e.i.

3. Requests for Additional Authorized Tables:

- a. Club San Rafael: Pete's 881 Club, Inc. - Corporation
- b. Don Juan Club and Casino: Juan Guzman - Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request from Club San Rafael, Item 3.a., to increase the establishment's gambling tables by two, thereby increasing the total number of authorized tables from two to four. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried with in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the request of Club San Rafael, Item 3.a., to add two additional tables for a total of four tables authorized under the license.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend that the Commission deny the request of Don Juan Club and Casino, Item 3.b., to increase the establishment's gambling tables by six, thereby increasing the total number of authorized tables from one to seven. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission denied the request of Don Juan Club and Casino, Item 3.b.

4. Application for State Gambling License – Request for Withdrawal:

- a. Club One Casino:
  - i. Joshi, Chander

At the request of staff the Commission tabled its consideration of the request for withdrawal of the application for a state gambling license for Club One Casino, Item 4.a.

5. Application for State Gambling License:

- a. Golden West Casino:
  - i. John and Shirley Thomas Family Trust – Shirley C. Thomas, Trustee

At the request of staff the Commission tabled its consideration of the application for a state gambling license for Golden West Casino, Item 5.a.

6. Applications for Renewal of State Gambling License:

- a. Artichoke Joe's Casino: Artichoke Joe's Incorporated - Corporation
- b. Club San Rafael: Pete's 881 Club, Inc. - Corporation
- c. Delta Club Cardroom: Michael Lee, Hsiao Hui Lee, Tony Lee and Karen Lee – General Partnership
- d. Don Juan Club and Casino: Juan Jose Guzman – Sole Proprietor
- e. Duffy's: Faye E. Stearns – Sole Proprietor
- f. Golden West Casino: Kern County Associates, L.P., - Limited Partnership
- g. Hollywood Park Casino: Century Gaming Management, Inc. - Corporation
- h. Saigon Casino Club: Sy A. Xin - Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Artichoke Joe's Casino, Item 6.a., for the period of April 1, 2005 through July 31, 2005. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the Commission approved the application for renewal of the state gambling license for Artichoke Joe's Casino, Item 6.a., for the period of April 1, 2005 through July 31, 2005.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Club San Rafael, Item 6.b., for the period of April 1, 2005

through December 31, 2005. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the Commission approved the application for renewal of the state gambling license for Club San Rafael, Item 6.b., for the period of April 1, 2005 through December 31, 2005.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Delta Club Cardroom, Item 6.c., for the period of April 1, 2005 through November 30, 2005. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the Commission approved a temporary three-month renewal of the state gambling license for Delta Club Cardroom, Item 6.c., for the period of April 1, 2005 through June 30, 2005.

Manager Podesto indicated that staff recommends approval of a conditional one-month renewal of the state gambling license to the owner of Don Juan Club and Casino, Item 6.d., effective April 1, 2005 through April 30, 2005 with the following conditions:

- *Maintain accounting books and records that includes the recording, dating and posting of all financial transactions of the gambling establishment; and*
- *Submit, to the Commission, quarterly financial reports prepared by a certified accountant, which details all transactions in regards to gaming activities at the gambling establishment. The quarterly reports are due to the Commission on the following dates:*
  - March 31, 2005
  - June 30, 2005
  - September 30, 2005
  - December 31, 2005
- *If the applicant fails to submit the requested information by the above-mentioned dates, the Commission will not renew the applicant's Temporary State Gambling License. This would result in the gambling establishment not being able to operate until the Commission receives the documents requested. If continuous defiance of the conditions persists, the Commission will proceed with the revocation process of the gambling establishments State Gambling License pursuant to Business and Professions Code Section 19920.*

Upon motion of Chairman Shelton seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the Commission approved a conditional one-month renewal of the state gambling license for Don Juan Club and Casino, Item 6.d., with the conditions indicated by staff applied to the license.

Manager Podesto indicated that Commission staff recommends approval of a three-month temporary renewal of the state gambling license through June 30, 2005 for Duffy's, Item 6.e. Chairman Shelton moved to adopt the staff recommendation and Commissioner Williams seconded the motion.

Robert Tabor, Attorney, Mahoney & Tabor, commented on Duffy's application for renewal of a state gambling license indicating that he has been retained as counsel by the owner of the gambling establishment and will be working with Commission and Division throughout the application process.

The motion made by Chairman Shelton and seconded by Commissioner Williams unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved a three-month temporary renewal of the state gambling license through June 30, 2005 for Duffy's, Item 6.e.

Manager Podesto indicated that staff recommends approval of a conditional three-month temporary renewal of the state gambling license for Golden West Casino, Item 6.e., issued on April 1, 2005 and expiring on June 31, 2005 with the following conditions:

*The Commission must receive an initial application for state gambling license and fees no later than April 20, 2005 for:*

1. *Jimmie J. Icardo and Marjorie M. Icardo 1988 Trust*
2. *Gary Icardo (trustee of above mentioned Trust)*
3. *Steven J. Thomas (Co-Trustee of John and Shirley Thomas Family Trust)*
4. *Joanne Thomas Taratusky (Co-Trustee of John and Shirley Thomas Family Trust)*
5. *Dennis E. Thomas (Co-Trustee of John and Shirley Thomas Family Trust)*

Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners

Sasaki and Williams voting yes, the Commission approved a conditional three-month temporary renewal of the state gambling license for Golden West Casino, Item 6.f.

Manager Podesto 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 6.g., through December 31, 2005. Chairman Shelton moved to adopt the staff recommendation for discussion purposes and Commissioner Sasaki seconded the motion.

Chairman Shelton stated on record, for the purpose of providing the Division of Gambling Control an understanding of the Commission's concerns regarding licensure of gambling establishments involved in civil litigation where reference to criminal activity is made and the Division reports no attempt to investigate the matter, that in the future he expects to be able to review in the Division's report on its findings from investigation of criminal activity in incidents of this type.

The motion made by Chairman Shelton and seconded by Commissioner Sasaki unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes. The Commission approved the application for renewal of a state gambling license for Hollywood Park Casino, Item 6.g., through December 31, 2005.

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Saigon Casino Club, Item 6.h., for the period of April 1, 2005 through November 30, 2005. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes the Commission approved the application for renewal of a state gambling license for Saigon Casino Club, Item 6.h., for the period of April 1, 2005 through November 30, 2005.

7. Applications for Tribal-State Compact Gaming Resource Supplier (Vendor) Finding of Suitability – Request for Withdrawal:
  - a. Cascade Entertainment Group, LLC
    - i. Cascade Entertainment Group, LLC
  - b. Cole Gaming Technologies, Inc.
    - i. Cole Gaming Technologies, Inc.
    - ii. Cole, Joseph
    - iii. Cole, Patricia

- c. Elite Technologies Manufacturing, Inc.
  - i. Sommers, Ronald
- d. Gamecraft, Inc.:
  - i. Myhre, Paul

Manger Podesto presented Item 7 to the Commission for its consideration of the requests for withdrawal of the applications for Tribal-State Compact Gaming Resource Supplier Findings of Suitability. Executive Director Balonon indicated that he was requesting that the Commission table its consideration of the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Cascade Entertainment Group, LLC, Item 7.a., pending further information that he directed staff to request from the Division of Gambling Control so that staff may provide an informed recommendation to the Commission.

Silas L. Summers Jr., Gaming Commission Chairman, Picayune Rancheria of the Chukchansi Indians, presented his March 14, 2005 letter to the Commission in opposition to Cascade Entertainment Group, LLC's request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability, which is incorporated into the minutes as Attachment A.

Eric M. George, Attorney for Cascade Entertainment Group, LLC, commented on the matter indicating that pending arbitration proceedings were expected to last through to May 6, 2005 and that Cascade Entertainment Group, LLC, appreciates the Commission postponing its consideration of the withdrawal request at this time.

Richard Armstrong, Attorney for the Tribal Gaming Commission of Picayune Rancheria, commenting in opposition of the request for withdrawal of Cascade Entertainment Group, LLC, indicated that the Tribe revoked Cascade Entertainment Group, LLC's license and that he wished to submit the Tribes findings in this matter for the Commissions review. Mr. Armstrong indicated that the Tribe was not prepared to allow its findings to become a public record and that he wished to submit these findings as confidential documents by sealed envelope.

Chief Counsel Rickards advised the Commission that it's meeting was subject to the Bagley Keene Open Meeting Act and therefore could not accept, during this proceeding, sealed documents that are to remain confidential.

Chairman Shelton requested that Mr. Armstrong contact the Commission's Chief Counsel following the meeting to ensure that the documents are submitted to the Commission in an appropriate manor.

Richard Armstrong, Attorney for the Tribal Gaming Commission of Picayune

Rancheria, commented on his concerns of avoiding any ex-parte communication with Commission members and its legal counsel regarding the matter.

Eric M. George, Attorney for Cascade Entertainment Group, LLC, commented in response to comments made by Richard Armstrong stating that there was no pending criminal investigation of Cascade Entertainment Group, LLC.

Richard Armstrong, Attorney for the Tribal Gaming Commission of Picayune, commented on the outcome of the pending arbitration stating that although the Commission's decision may have an effect on the outcome of pending arbitration the pending arbitration dose not have an effect on the Commission's decision.

The Commission did not act on the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Cascade Entertainment Group, LLC, Item 7.a. The matter was tabled for further investigation.

Manger Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for withdrawal without prejudice of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Cole Gaming Technologies, Inc., Item 7.b.

Chairman Shelton tabled the Commission's consideration of the requests for withdrawal of the applications for Tribal-State Compact Gaming Resource Supplier Findings of Suitability for Cole Gaming Technologies, Inc., Item 7.b., Elite Technologies Manufacturing, Inc., Item 7.c., and Gamecraft, Inc., Item 7.d., pending further information from the Division of Gambling Control.

#### **CONSENT CALENDAR ITEMS:**

1. Applications for Renewal of Work Permit:
  - a. The 101 Casino:  
Caamal, Rosaura
  - b. Club San Rafael:  
Barton, Noelle
  - c. Empire Sportsmen's Association:  
Phoun, Lim  
Vannavong, Bounthom  
Yon, Sambath

Manager Podesto presented the Consent Calendar to the Commission for it consideration of the applications for renewal of a work permit. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously

carried in the call for a vote with Chairman Shelton and Commissioners Sasaki 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 no adjourn to Closed Session since there were not matters that required discussion under Government Code section 11126 (e).

1. Commissioner Comments.

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

**ADJOURNMENT:**

Upon motion to adjourn the meeting by Commissioner Williams, seconded by Commissioner Sasaki and unanimously carried with Chairman Shelton and Commissioners Sasaki and Williams voting yes, the meeting adjourned at 2:15 p.m.