

California Gambling Control Commission
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Wednesday, June 8, 2005

MINUTES OF JUNE 8, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of June 8, 2005, to order at 1:30 p.m., with Commissioners Cruz, Sasaki, and Williams present.

Staff Participating: John Spittler, Deputy Director, Licensing Division.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Central Coast Casino (Grover Beach)
Gradowitz, Mary
 - b. Gold Sombrero Card Room
Vang, Kou
 - c. Lake Bowl Cardroom
Muro, Angelique
 - d. Poker Flats Casino
Saetern, Sarnpet
 - e. River Card Room
Tomei, Steven
 - f. The 101 Casino
Harstad, Jason
Leaser, Robert
Lee, Anthony
McFarland, William
Nguyen, Minh
Prince, Patricia
Regan, Keith
Rochetti, Marvin
Thoeleck, Loarn

Deputy Director Spittler requested that the Commission table its consideration of the applications for a work permit for Steven Tomei, Item 1.e, and Robert Leaser, Marvin Rochetti and Loarn Thoelecke Item 1.f, for further review. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission tabled the applications for a work permit for Steven Tomei, Item 1.e., and Robert Leaser, Marvin Rochetti, and Loarn Thoelecke, Item 1.f.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Mary Gradowitz, Item 1.a., Kou Vang, Item 1.b., Angelique Muro and Erica Walter, Item 1.c., Sarnpet Saetern, Item 1.d., Jason Harstad, Anthony Lee, William McFarland, Minh Nguyen, Patricia Prince, and Keith Regan, Item 1.f.

Commissioner Sasaki moved to approve the applications for a work permit for Mary Gradowitz, Item 1.a., Kou Vang, Item 1.b., Angelique Muro and Erica Walter, Item 1.c., Sarnpet Saetern, Item 1.d., Jason Harstad, Anthony Lee, William McFarland, Minh Nguyen, Patricia Prince, and Keith Regan, Item 1.f. Commissioner Williams seconded the motion.

Commissioner Cruz noted that applicant Sarnpet Saetern being a resident alien was issued a work visa permitting his employment. Commissioner Cruz requested that the Commission issue Mr. Saetern an amended work permit not to remain valid beyond the expiration of his work visa.

Commissioner Sasaki amended her motion to include Commissioner Cruz's request. Commissioner Williams amended his second to the motion which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the applications for a work permit for Mary Gradowitz, Item 1.a., Kou Vang, Item 1.b., Angelique Muro, and Erica Walter, Item 1.c., Sarnpet Saetern, Item 1.d., Jason Harstad, Anthony Lee, William McFarland, Minh Nguyen, Patricia Prince, and Keith Regan, Item 1.f.

2. Application for Work Permit – Request for Withdrawal:

- a. The 101 Casino
Fender, James

Deputy Director Spittler 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 James Fender, Item 2.a. Upon motion of Commissioner Cruz, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki and Williams voting yes the Commission approved without prejudice the request for withdrawal of the application for a key employee license for James Fender, Item 2.a.

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

- a. Bay 101
Werner, Ronald
- b. Gold Rush Gaming Parlor
Moore, Douglas

Deputy Director Spittler 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 Ronald Werner, Item 3.a. Upon motion of Commissioner Williams, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved without prejudice request for withdrawal of the application for a key employee license for Ronald Werner, Item 2.a.

Deputy Director Spittler 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 Douglas Moore, Item 3.b. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved without prejudice the request for withdrawal of the application for a key employee license for Douglas Moore, Item 2.b.

4. Request for Additional Authorized Tables

- a. River Cardroom
The River Cardroom, Inc.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for two additional authorized tables, for a total of seven tables authorized on the license for the River Cardroom, Item 4.a., Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the request for two additional tables for a total of seven tables authorized on the license for the River Cardroom, Item 4.a.

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

- a. A's De Espadas
Serrano, Jose

Deputy Director Spittler 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 state gambling license for A's De Espadas, 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 Cruz, Sasaki,

and Williams voting yes the Commission approved without prejudice the request for the withdrawal of the application for a state gambling license for A's De Espadas, Item 5.a.

6. Applications for Renewal of State Gambling License

- a. Axtion Jaxson Card Room, Jack Morgan, Sole Proprietor
- b. Don Juan Club and Casino, Juan Jose Guzman, Sole Proprietor
- c. Casino Real, Ernest L. Schmiedt, Sole Proprietor
- d. Jalisco Card Room, Rafael P. Quiroga, Sole Proprietor

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a conditional state gambling license effective July 1, 2005 through March 31, 2006 for Axtion Jaxson Card Room to include the following condition:

All future applications and/or renewals shall be submitted within the statutory time requirements.

Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the application for renewal of state gambling license for Axtion Jaxson Card Room, Item 6.a., with the condition recommended by staff applied to the license.

Deputy Director Spittler presented Item 6.b. for consideration of the application for renewal of a state gambling license.

Deborah DeRosier, Division of Gambling Control, informed the Commission that as part of an ongoing investigation, the Division recently conducted an audit of the Don Juan Club and found that the Club did not meet any of the conditions of licensure under the provisions in Title 4, California Code of Regulations, Section 12402(b).

Julie Ruiz-Sierra, designated agent for Don Juan Club, addressed the Commission, regarding the recent audit and compliance issues. Ms. Ruiz-Sierra indicated that she has been working with the Division on the ongoing audit and investigation and is still in the process of streamlining the record keeping. The Don Juan Club has also hired a consultant to view the clubs operations and inform owners of any violations. She further indicated that she was not made aware of the violations that had occurred prior to the Commission meeting; therefore she could not address those issues. Ms. Ruiz-Sierra indicated her support of Commissioner Cruz's recommendation to meet and confer with DGC and Commission staff stating that she feels that with improved communication between the Division, the Commission and the Don Juan Club, compliance will no longer be an issue.

John Sustaita, Consultant for Don Juan Club, addressed the Commission on behalf of Mr. Guzman and the Don Juan Club indicating that there have been challenges in the past but with his assistance Mr. Guzman will be able to fulfill his obligation in regards to Compliance. Mr. Sustaita further indicated that he would like to establish a more visible working relationship with the Division of Gambling Control so that any violations occurring can be immediately clarified to the Owner and designated agent allowing them to take action and seek resolution expeditiously.

Commissioner Cruz, moved to approve a temporary state gambling license to Juan Jose Guzman to operate the Don Juan Club and Casino, Item 6.b., for the period of July 1, 2005 through October 31, 2005, inclusive and subject to the following terms and conditions:

1. *Mr. Guzman shall keep and maintain accounting books and records that include the reporting, dating, and posting to a general or subsidiary ledger or journal all financial transactions of the gambling establishments known as the Don Juan Club and Casino.*
2. *Mr. Guzman shall submit to the Commission on the dates specified below quarterly financial reports that are compiled by an independent certified public accountant and which reflect all financial transactions of the gambling establishment know as the "Don Juan Club and Casino":*
 - a. *For the period ending June 30, 2005, not later than July 31, 2005; and*
 - b. *For the period ending September 30, 2005, not later than October 31, 2005.*
3. *Mr. Guzman shall meet and confer with Commission and Division staff from time to time and at staff's request, but in no event later than October 10, 2005, to discuss the status of Mr. Guzman's compliance with the terms and conditions set forth herein.*
4. *The Commission shall place on the agenda for the last regularly scheduled meeting of the Commission prior to October 31, 2005, the status and a determination of Mr. Guzman's application for a state Gambling License to own and operate the "Don Juan Club and Casino," if such an application is still pending on that date.*
5. *Nothing set forth herein is intended to prohibit the Division or the Commission from instituting or maintaining hereafter any action pursuant to and in accordance with the Gambling Control Act to terminate or modify the Temporary State Gambling License hereby granted to Mr. Guzman, whether*

or not such an action is based on Mr. Guzman's act(s) or failure to act before, on or after the date hereof.

Commissioner Williams seconded the motion, which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the application for renewal of a conditional temporary state gambling license for Don Juan Club and Casino, Item 6.b.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of state gambling license for Casino Real, Item 6.c., period July 1, 2005 through June 30, 2006, Item 6.c. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the application for renewal of state gambling license for Casino Real, Item 6.c.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of a temporary state gambling license through October 31, 2005 for Jalisco Pool Room, Item 6.d. Deputy Director Spittler further indicated that the recommendation for temporary licensure was to allow the Division additional time needed to complete its investigation as a result of the application being filed late. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved a temporary state gambling license for Jalisco Pool Room, Item 6.d.

7. Applications for Tribal-State Compact Gaming Resource Supplier (Vendor)

Finding of Suitability – Request for Withdrawal:

- a. Luna Gaming – Corning LLC and LGC Management Company and its principals Thomas Celani, James Oegema and Donald Buch
 - i. Paskenta Band of Nomlaki Indians – Rolling Hills Casino
- b. Luna SR LLC (LSR) and LSR Management Company and its principals Thomas Celani, James Oegema and Donald Buch:
 - i. Smith River Rancheria – Lucky Seven Casino
- c. Smith River Gaming LLC and its principal, Georgia Powers:
 - i. Smith River Rancheria- Lucky Seven Casino

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier (Vendor) Finding of Suitability for Luna Gaming, Item 7.a.

Chairman Shelton asked if the affected tribes had been contacted and whether there were any derogatory concerns from tribes.

Robert Cloud, Paskenta Gaming Commission, commenting in response to Chairman Shelton, indicated that the Division had contacted him and he reported that Paskenta knew of no problems concerning Luna Gaming.

Upon motion of Commissioner Cruz, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved without prejudice the request for withdrawal of the application for tribal-state compact gaming resource supplier (vendor) finding of suitability, for Luna Gaming, Item 7.a.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier (vendor) Finding of Suitability, for Luna SR LLC, Item 7.b. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved without prejudice request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier (vendor) Finding of Suitability, Item 7.b.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier (Vendor) Finding of Suitability, for Smith River Gaming, Item 7.c. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved without prejudice request for withdrawal of the application for Tribal-State Compact Gaming Resource Supplier (Vendor) Finding of Suitability, for Smith River Gaming, Item 7.c.

CONSENT CALENDAR ITEMS:

1. Applications for Renewal of Work Permit:
 - a. Brooks Oceana Cardroom
Brooks, Doyle
 - b. Central Coast Casino (Grover Beach)
Moser, Lloyd
 - c. The 101 Casino:
Arango, Juan
Chart, Marsha

Deputy Director Spittler presented the Consent Calendar to the Commission for its consideration of the applications for renewal of a work permit with the exception of Marsha Chart, which was tabled for further investigation.

Commissioner Cruz noted that applicant Juan Arango is a resident alien who has been issued a work visa permitting his employment, therefore the term of his work permit should not exceed the expiration date of his work visa.

Chairman Shelton moved to approve the consent calendar as presented by staff along with an addition of the condition that the term of the work permit for Juan Arango would expire no later than the date of expiration of his work visa, as indicated by Commissioner Cruz. Commissioner Williams seconded the motion, which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the consent calendar.

PUBLIC COMMENT:

None.

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 during this portion of the meeting.

ADJOURNMENT:

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Cruz and unanimously carried with Chairman Shelton and Commissioners Cruz, Sasaki and Williams voting yes, the meeting adjourned at 2:14 p.m.