

California Gambling Control Commission
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MINUTES OF JULY 7, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of July 7, 2005, to order at 1:30 p.m., with Commissioners Cruz, Sasaki, and Williams present.

Staff Participating: John Spittler, Deputy Director, Licensing Division, Cyrus Rickards, Chief Counsel, and Heather Hoganson, Staff Counsel, Legal Division.

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 meeting minutes of June 8, 2005.

DECISION ITEMS

1. Application for Key Employee License:
 - a. Capitol Casino
Simon, Jr. William

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for William Simon, Jr., Item 1.a. Upon motion of Commissioner Sasaki and 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 the key employee license for William Simon, Jr.

2. Request for Additional Authorized Tables:

- a. Caesar's Club: Jose Alvarez Cahue, Sole Proprietor
- b. Cameo Club: Lewis and Lewis Inc., Corporation
- c. Turlock Poker Room: Jose Gabriel Fernandez, Sole Proprietor

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for one additional authorized table, for a total of three tables authorized on the license for the Caesar's Club, Item 2.a. 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 request for one additional table, contingent on payment of fees, for a total of three tables authorized on the license for the Caesar's Club.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for one additional authorized table, for a total of six tables authorized on the license for the Cameo Club, Item 2.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 the request for one additional table for a total of six tables authorized on the license for the Cameo Club.

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 six tables authorized on the license for the Turlock Poker Room, Item 2.c. 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 request for two additional tables, contingent on payment of fees, for a total of six tables authorized on the license for the Turlock Poker Room.

3. Applications for Renewal of State Gambling License:

- a. Black Sheep Casino: Noel A. Paulson, Jr., Sole Proprietor
- b. Phoenix Casino and Lounge: Phoenix Casino and Lounge, Inc. Corporation
- c. Poker Flats Casino: Terry W. Vargas, Sole Proprietor

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a conditional state gambling license valid August 1, 2005 through July 31, 2006 for the Black Sheep Casino, Item 3.a., with the following condition:

Licensee is prohibited from permitting unlawful wagering or any other form of illegal gambling on the premises.

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 a conditional state gambling license, with the condition recommended by staff applied to the license, for the period of August 1, 2005 through July 31, 2006 for the Black Sheep Casino.

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 August 1, 2005 through July 31, 2006 for Phoenix Casino and Lounge, Item 3.b., with the following conditions:

1. *Licensee must submit a copy of all gambling enterprise employee locally issued work permits to the Commission on a quarterly basis.*
2. *Licensee is prohibited from extending credit to the employees of the gambling establishment.*

Upon motion of Commissioner Williams, 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 Phoenix Casino and Lounge with the condition recommended by staff applied to the license, for the period of August 1, 2005 through July 31, 2006.

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 effective August 1, 2005 through July 31, 2006 for Poker Flats Casino, Item 3.c. 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 approved the application for renewal of state gambling license for Poker Flats Casino. for the period of August 1, 2005 through July 31, 2006.

4. Applications for Tribal-State Compact Key Employee Finding of Suitability:
 - a. Syucan Band of Diegueno Mission Indians of California – Syucan Casino and Resort
Clapham, Stephen W.

Deputy Director Spittler indicated that the Division of Gambling Control recommends a denial of the application for Tribal-State Compact Key Employee Finding of Suitability based on mandatory criteria for Stephen W. Clapham, Item 4.a. Deputy Director Spittler

further indicated that Commission staff has reviewed the recommendation and concur with the Division of Gambling Control. 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 denied the application for Tribal-State Compact Key Employee Finding of Suitability for Stephen W. Clapham.

5. Proposed Uniform Tribal Gaming Regulation CGCC-7 (Emergency Evacuation and Preparedness Plans):

Chief Counsel Rickards presented to the Commission for its consideration a revised proposal for a uniform statewide gaming regulation for submission to the Tribal-State Association pursuant to Section 8.4.1 of the Tribal-State Gaming Compacts concerning: Emergency Evacuation Preparedness Plan. Chief Counsel Rickards requested approval to move forward with the Association Regulatory Standards Task Force in presenting a draft of the proposed regulation to the Tribal-State Association.

Commissioner Sasaki commented that she thought the certification provision was an improvement.

Chairman Shelton expressed concerns that there should be some type of coordination between the tribal casinos and the local governments, specifically the local police and fire departments, who may provide assistance to tribal casinos in the event of an emergency.

Sally, Colusa Indian Community, responded to Chairman Shelton's concerns indicating that coordination with local governments and insuring that each tribal casino meets the required standards of the localities is included in the certification process.

Ursula Simon, Middletown Rancheria, commented on Chairman Shelton's concerns and indicated that she recommends that a standard not be included in the regulation because of the different demographics of each tribal casino.

Commissioner Cruz suggested that the regulation include some type of provision that would require tribal casinos to review their emergency plans on an annual basis and make necessary changes as needed.

Chairman Shelton directed staff to continue to work with the Association Regulatory Standards Task Force in the development and implementation of the proposed uniform statewide gaming regulation.

6. Staff Report:
Proposed Disciplinary Regulations

Chief Counsel Rickards addressed the Commission regarding a regulation draft proposed by staff concerning: Title 4, California Code of Regulations, Division 18, Chapter 10 – Discipline; Decisions (Gambling Control Act). Chief Counsel Rickards indicated that the purpose of these regulations was to set forth disciplinary procedures and guidelines, which are applicable to the holder of any license, registration, permit, finding of suitability, or approval issued by the Commission.

Chairman Shelton stated that this item was included on the agenda to allow for discussion of the proposed regulations and the Commission would not be considering any action on the proposed regulations at this meeting.

Staff Counsel Heather Hoganson provided a procedural history of the draft regulations, indicating that a draft had been sent to the rulemaking list on January 2005 and a public workshop held on February 15, 2005. From those speaking at the workshop and those who had indicated an interest, a smaller working group was formed of industry members, and additional draft language discussed. The topic of disciplinary regulations was brought to the Commissioners at the July 7, 2005 meeting, and the Commissioners indicated that they would like another public workshop, bringing everyone to the current meeting.

Comments on the proposed regulations at the workshop, and those written comments received by the Commission in advance of the workshop, will be incorporated into a revised draft, which will be brought before the Commission at a future date. Once the Commission approves the future draft for purposes of Administrative Procedure Act (APA) comment, a formal notice and comment procedure of 45 days, followed by a formal APA hearing, will be held. Everyone will have an opportunity to comment on the revised draft at either the upcoming Commission meeting or during the APA comment period or hearing. Finally, once a final draft is prepared, it will be placed on the agenda for Commission adoption at a noticed meeting, and anyone may address the Commissioners regarding the draft at that point as well.

Following discussions among the Commissioners regarding the draft regulations proposed by staff, Chairman Shelton directed staff to schedule a public, noticed workshop that would allow each Commissioner to participate with the stakeholders in further development of the proposed regulation.

A copy of the staff proposed draft of California Code of Regulations, Title 4, Division 18, Chapter 10 – Discipline; Decisions, is incorporated into the minutes as Attachment A.

Terri Sue Canale, Division of Gambling Control, commented on the draft regulation proposed by staff and indicated that she had worked with Commission staff on drafting the proposed regulation. Ms. Canale indicated that she believes that the regulations will give the Division the tools necessary to enforce the Gambling Control Act, and she

recommends that the proposed regulations go through the formal rulemaking process as soon as possible.

David Fried, Attorney for Oaks Card Club, commented on the draft proposed by staff concerning disciplinary regulations. Mr. Fried indicated that the draft was a good start and can be used to build on. Mr. Fried further indicated that he appreciated the Commission's willingness to participate in a public, noticed workshop on the proposed regulations.

No action was taken by the Commission on Item 6.

CONSENT CALENDAR ITEMS:

1. 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:
Birchall, Linda
Goglas, Paul
Gregory, David
 - b. Agua Caliente Band of Cahuilla Indians of the Agua Caliente Reservation – The Spa Hotel and Casino:
Dodd, Kimberly
Tierney, Daniel
 - c. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:
Huerta, Luis
Martinez, Veronica
Oaks, Michael
 - d. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino:
Jipp, Patricia
Juergens, Raymond
Pitman, Vincent
 - e. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Konocti Vista Resort and Casino:
Barkow, Frederick
 - f. Blue Lake Rancheria – Blue Lake Casino:
Perry, Greg
 - g. Cabazon Band of Mission Indians – Fantasy Springs Resort Casino:
Cibotti, Angelo
 - h. Campo Band of Diegueno Mission Indians of the Campo Indian Reservation – Golden Acorn Casino and Travel Center:
Castrillon, Richard
Connolly, Evelyn

- i. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort and Casino:
Smith, Mervin
- j. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino:
Matthews, Jeffrey
- k. Hoopa Valley Tribe – Lucky Bear Casino:
Birkle, Anneta
- l. Hopland Band of Pomo Indians of the Hopland Rancheria – Sho-Ka-Wah Casino:
Mohan, Linaben
Mohan, Sanjay
Pickron, Joan
Ram, Bernadette
Reyes, Daniel
- m. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria Casino, Hotel, and Conference Center:
Hiu, Matthew
- n. La Jolla Band of Luiseno Mission Indians of the La Jolla Reservation – Slot Arcade:
Cuero, Jezreel
- o. Middletown Rancheria of Pomo Indians of California – Twin Pine Casino:
McCool, Julie
Sanders, Cynthia
Stritenberger, Janice
- p. Mooretown Rancheria of Maidu Indians of California – Feather Falls Casino:
Knowlton, Laura
- q. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
Pasquarelli, Leonard
Rathke, Carl
Velasquez, Jerry
Vildosola, Jimmie
- r. Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony – Paiute Palace Casino:
Lovelace, Susan
- s. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino Resort Spa:
Benjamin, Todd
Butler, Debbie
Buchholz, Donald
Clow, Charles
McGough, Thomas
Siddons, Barbara

- Singh, Surjit
- Velasco, Daliarosa
- Contreras, Milton
- t. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino:
 - Amir, Jack
 - Burdette, Sandra
 - Chute, Dennis
 - Fernandez, Mary
 - Gaethje, Marcus
 - Inzunza, Blanca
 - Pule, Carl
 - Ryneal, Ronald
- u. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino:
 - Arredondo, Andres
 - Baker, Richard
 - Conrad, Timothy
 - Costello, Joseph
 - Martinez, George
 - Morgan, Julie
- v. Quechan Tribe of the Fort Yuma Indian Reservation – Paradise Casino:
 - Miguel, Eldon
- w. Redding Rancheria – Win-River Casino:
 - Baldo, Oscar
 - Hendershot, Dhabih
 - McNeal, Nathen
 - Mucks, Amanda
 - Scott, Leann
 - Semore, Anthony
- x. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:
 - Byrum, Jean
 - Corona, Robert
 - DesRosiers, Joseph
 - Ellis, Christopher
 - Faraguna, Robert
 - Gaito, James
 - Iverson, Benjamin
 - Manders, Deborah
 - Nguyen, Tien
 - Polk, Dawn
 - Ritchie, Ruth

- y. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
 - Chiappone, Charles
 - Delatorre, Darren
 - De Los Angeles, Raymond
 - Eziz, Mian
 - Horstman, Elizabeth
 - Jackson, Jeffrey
 - Kempton, Ronald
 - Khiev, Lyndo
 - Lam, Debbie
 - Saephan, Seng
- z. San Manuel Band of Serrano Mission Indians of the San Manuel Reservation – San Manuel Indian Bingo & Casino:
 - Connolly, Luke
- aa. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
 - Grino, Raul
 - Lucas, Sandra
- bb. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino Resort:
 - Andrade, Francisco
 - Caylor, John
 - Garcia, Gail
 - Jacobs, Steven
 - Juarez, Ann
 - McClure, Dana
 - Montoya, Emma
 - Ramirez, Stefani
 - Terrones, Fidel
- cc. Smith River Rancheria – Lucky 7 Casino:
 - Sullivan, Rhett
- dd. Table Mountain Rancheria of California – Table Mountain Casino:
 - Armstrong, John
 - Camp, Robert
 - Her, Tony
 - Her, Shao
- ee. Tule River Indian Tribe of the Tule River Reservation – Eagle Mountain Casino:
 - Alvarado, Richard
 - Bernal, Vivian

- Cha, Yu
- McDarmont, Loren
- ff. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
 - Bailey, Kathryn
 - Briscoe, James
 - Czito, Jason
 - Pauly, Tina
- gg. Twenty-Nine Palms Band of Mission Indians of California – Trump 29 Casino:
 - Rodriguez, Rebecca
- hh. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
 - Gonzales, Dennis
 - Thompson, Pamela
- ii. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino:
 - Bowers, Remedios
 - Coghe, Timothy
 - Luckett, Harry

Deputy Director Spittler presented the Consent Calendar to the Commission for its consideration of the Applications for Tribal-State Compact Key Employee Finding of Suitability. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Sasaki, Cruz, 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.

ADJOURNMENT:

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the meeting adjourned at 2:40 p.m.

