

California Gambling Control Commission
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2399 Gateway Oaks Drive, Suite 100
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Thursday, August 18, 2005

MINUTES OF AUGUST 18, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of August 18, 2005 to order at 1:29 p.m., with Commissioners Cruz and Sasaki and Williams present.

Staff Participating: Cara Podesto, Manager, Licensing Division, Cyrus Rickards, Chief Counsel and Herb Bolz, Senior Legal Counsel, Legal Division, Gary Qualset, Deputy Director, Compliance 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.

Approval of minutes of the July 21, 2005 Commission Meeting were tabled.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Gold Rush Gaming Parlor:
Daugherty, Dennis
 - b. Empire Sportsmen's Association:
Chea, Sokunthea
 - c. Lake Bowl Cardroom:
Phaneuf, Becky
 - d. Sundowner Cardroom:
Mayben, Tiffany
 - e. The 101 Casino:
Mullen, Megan
Yaple, Shaun

Manager Podesto indicated that both the Division of Gambling Control and

Commission staff recommend approval of the applications for a work permit for Dennis Daugherty, Item 1.a., Sokunthea Chea, Item 1.b., Becky Phaneuf, Item 1.c., Tiffany Mayben, Item 1.d., and Megan Mullen and Shaun Yaple, Item 1.e.

Sue Barrows, Owner, of the Gold Rush Gaming Parlor, stated that Dennis Daugherty was no longer employed at Gold Rush Gaming Parlor.

Manager Podesto requested Ms. Barrows submit this information in writing to enable the Commission to remove Mr. Daugherty from the endorsement on the license.

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 applications for a work permit for Dennis Daugherty, Sokunthea Chea, Becky Phaneuf, Tiffany Mayben, Megan Mullen and Shaun Yaple.

2. Applications for Renewal of State Gambling License:

a. Artichoke Joe's Casino: Artichoke Joe's Incorporated – Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the state gambling license from August 1, 2005 through July 31, 2006, for Artichoke Joe's Casino, Item 2.a., with the following conditions:

1. *The licensee shall ensure that no Third Party Proposition Player Services (TPPPS), or employee of a TPPPS, operates on the premises, unless (a) the provider and the employee is registered or licensed pursuant to Title 4, California Code of Regulations, Division 18, Chapter 2.1 and (b) the Licensee has a contract with that TPPPS.*
2. *The Licensee shall exclude any individual wearing a TPPPS badge unless that individual is employed by a TPPPS with a contract with the licensee approved by the Division of Gambling Control pursuant to Title 4, California Code of Regulations, Division 18, Chapter 2.1.*
3. *The Licensee shall notify both the Commission and the Division in writing within 10 days of observing any individual wearing a TPPPS badge who is not employed by a TPPPS with a contract with the Licensee approved by the Division of Gambling Control pursuant to Title 4, California Code of Regulations, Division 18, Chapter 2.1.*
4. *The licensee shall exclude any individual whom the Licensee reasonably believes is an owner/supervisor/employee of, or independent contractor*

engaged by, any Gambling Business that is not registered or licensed pursuant to Title 4, California Code of Regulations, Division 18, Chapter 2.2.

Commissioner Cruz moved to approve renewal of the state gaming license with the conditions recommended by staff applied to the license and Chairman Shelton second the motion.

Commissioner Sasaki requested that an additional condition be added because it did not appear that there was a designated agent for Artichoke Joe's. Commissioner Sasaki further stated that a designated agent is necessary for communication purposes between the Commission and the card room. Commissioner Sasaki recommended that the following condition be considered:

5. *The licensee shall appoint a designated agent and inform the Commission, in writing, within 30 days.*

Mr. Alan Titus, Attorney for Artichoke Joe's, voiced his concerns regarding the confusion over a designated agent. Mr. Titus stated that the Division advised him that Artichoke Joe's had two designated agents and suggested that the owners of Artichoke Joe's submit written authorization for Mr. Titus to also receive card room information.

Deborah DeRosier, Special Agent in Charge, Division of Gambling Control, indicated that the Division has Dennis Sammut listed as the designated agent for Artichoke Joe's. However, there is no designated agent of record registered with the Commission. She further stated that the Division might, in some cases, have a registered designated agent and the Commission may have a different designated agent, or no agent at all.

Commissioner Cruz amended his motion and Chairman Shelton amended his second to include the additional condition.

Commissioner Cruz requested clarification regarding authorization that Mr. Titus receive card room information.

Mr. Titus stated that all information would go to the designated agent but in the absence of the designated agent, Mr. Titus would be authorized to receive information.

Commissioner Cruz clarified that information would go to the designated agent, and in specific instances the licensee may authorize that Mr. Titus receive information as legal counsel for the card room.

Chairman Shelton stated that he was pleased with the additional condition, but was still concerned with the lack of cooperation of the casino when agents request information, specifically regarding criminal investigations, and are told they cannot have it. Commissioner Shelton also stated that he looked forward to Artichoke Joe's participation

in the rulemaking effort pertaining to the release of records requested by the Division and Commission.

Mr. Titus stressed that his only concern was for customer privacy and affirmed Artichoke Joe's continued desire to work closely with the Commission.

The amended motion, made by Commissioner Cruz and second by Chairman Shelton, was 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 state gambling license for Artichoke Joe's Casino, with the five conditions applied to the license.

b. Garlic City Club: G.C.C. Holdings, Incorporated – Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license for Garlic City Club, Item 2.b., under either staff recommendation Option A or staff recommendation Option B, which she presented to the Commission as follows:

Option A:

Staff recommends the Commission approve a state gambling license to the owners of Garlic City Club valid from September 1, 2005 through March 31, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876(a) and will not operate from September 1, 2006 to March 31, 2007 unless fees in the amount of \$729.00 are paid no later than August 31, 2006.

Option B:

Staff recommends the Commission approve a state gambling license to the owners of Garlic City Club issued on September 1, 2005 and expiring on August 31, 2006.

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 a state gambling license with the terms specified in the staff recommendation Option A for Garlic City Club.

c. Gold Rush Gaming Parlor: Susan Barrows – Sole Proprietor

Manager Podesto indicated that the Commission had, just prior to the Commission meeting, received the state gambling license application for Gold Rush Gaming Parlor, Item 2.c. Manager Podesto also indicated that the 102-day filing deadline had expired 120 days prior and the Commission had not yet received a requested explanation of Ms. Barrow's failure to file in a timely manner. Based on the information received, Manager

Podesto stated that staff recommends the following for Commission consideration:

Staff recommends that the Commission order the cessation of all gambling activity therein until the Commission can renew the license pursuant to Business and Professions Code Section 19876(e).

Ms. Podesto stated that this would provide the Division and Commission the appropriate required 120 days needed to process the application.

Commissioner Williams made a motion for the immediate cessation of all gambling activity at the Gold Rush Gaming Parlor and directed the Commission's Chief Legal Counsel to sign the order and serve the order on sole proprietor Susan Barrows as soon as practical. The motion was second by Chairman Shelton.

Commissioner Cruz requested clarification as to whether the application received was complete or incomplete.

Manager Podesto stated that the application was incomplete, and in addition, the application states that the Gold Rush Gaming Parlor is a limited liability company, however, Commission records indicate that Sue Barrows is licensed as a sole proprietor. Ms. Podesto stated this new information creates an additional concern.

Commissioner Sasaki requested confirmation that Commission staff had communicated both written and orally with Ms. Barrows.

Manager Podesto verified that staff contacted Ms. Barrows numerous times, both by telephone and in writing.

Chief Counsel Rickards requested clarification regarding the motion for cease and desist, stating that Commissioner Williams' order differed from the staff recommendation.

Manager Podesto verified that the cease and desist order would be in effect until the Division and Commission complete the renewal process, which could be as long as 120-days.

Susan Barrows, sole proprietor of the Gold Rush Gaming Parlor, stated that she was not aware of the possibility of closure and that there is no good explanation for her failure to submit the state gambling application in a timely manner. Ms. Barrows requested that the Commission issue a temporary license until she could submit a complete application. She stated due to reorganization, she was unable to supply certain information, tax returns and financial records. Ms. Barrows also stated she was fearful of closing for three months and expressed concern for her employees. In addition, Ms. Barrows stated that she was not aware that an LLC had to file a long form application, since no one other than herself had any financial interest in the card room.

Commissioner Williams read into the record, Business and Professions Code section 19859(b) and stated that the Commission did not have a choice and that staff had contacted and attempted to work with her.

Ms. Barrows stated she did not have the information that was required to complete the application.

Chairman Shelton advised Ms. Barrows that he had sympathy for her. However, he stated that he was aware of the numerous times staff had contacted her and also aware of her continued refusal to cooperate with Commission staff, not to mention, the incomplete application submitted minutes before the Commission Meeting. Chairman Shelton also recommended that Ms. Barrows work with staff to get the license valid.

Ms. Barrows stated that a three-month closure could cause her to lose her business.

Chairman Shelton extended his apology and advised Ms. Barrows that this would allow her the time necessary to submit a complete application.

The motion, made by Commissioner Williams and seconded by Chairman Shelton carried in the roll-call vote, with Chairman Shelton and Commissioners Sasaki and Williams voting yes, Commissioner Cruz voting no, the Commission approved the order of the cessation of all gambling activity for the Gold Rush Gaming Parlor until the Commission renews the license pursuant to Business and Professions Code section 19876(e).

c. Hawaiian Gardens Casino: Hawaiian Gardens Casino – Corporation

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 Hawaiian Gardens Item 2.d., with the following conditions:

1. *Licensee shall submit quarterly reports to the Commission and Division of all incidents occurring in the gambling establishment involving any cheating and/or misconduct or any violations of the Gambling Control Act and related regulations promulgated hereunder, local Ordinance and/or internal operating policies and procedures. The reports are to contain a description of the incidents and whether the local jurisdiction was involved and the gambling establishment resolution, if any.*
2. *Licensee shall maintain licensed security guards at all entrances and exits of the gambling establishment during operating hours to ensure the safety of employees and patrons, and that no persons under the age of 21 gain entrance to the area where controlled gambling occurs in the gambling establishment.*
3. *Licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's semi-annual financial*

3. *Licensee shall engage an independent accountant licensed by the California Board of Accountancy to review the licensee's semi-annual financial statements, as of June 30, 2005, in accordance with standards for accounting and review services or with current applicable professional accounting standards and submit the reviewed financial statements to the Commission within ninety (90) days of June 30, 2005.*
4. *The Licensee shall maintain an Audit Committee in accordance with best practices established by the Institute of Internal Auditors. The Licensee shall also adopt procedures to comply with the requirements of the Sarbanes-Oxley Act of 2002, section 301(3)(A) and, (B)(i), and (ii), (4)(A) and (B), (5) and (6) regarding the independence of Audit Committee members, procedures for complaints, authority to engage advisers and funding of the Audit Committee function.*
5. *The Audit Committee shall consist of at least three members of the Board of Directors (Board). All members of the Audit Committee shall be individuals who are financially literate as determined in the Board's judgment. One member of the Audit Committee must be financial expert in one of the following areas: casino or gambling establishment operation and management, a Certified Public Accountant with current license issued by the California Board of Accountancy with accounting experience in the gaming industry, a Certified Internal Auditor with experience in accounting and auditing in the gaming industry. The annual report presented to the Board must also be submitted to the California Gambling Control Commission.*

Commissioner Sasaki moved to approve the staff recommendation and Commissioner Cruz second the motion.

Manager Podesto, also advised the Commission that she was just informed that the Division, in processing renewal applications for key employees, contacts the local jurisdiction to verify that current locally issued work permits are valid. Ms. Podesto stated apparently the Division is not receiving this verification in a timely manner. Staff is recommending initiating a new policy to include the following condition for work permit renewals:

6. *The Licensee shall require the key employees of the gambling establishment to provide the Division of Gambling Control with a copy of the front and back of their locally issued work permits when submitting a new and/or renewal application*

Jane Hunter, Coalition for Justice in Hawaiian Gardens and Jerusalem, requested the Commission consider denial of Hawaiian Gardens License Application and voiced her continued concerns of alleged casino violations, and re-addressed issues in a letter faxed to the Commission on August 11, 2005, and hand-delivered, and incorporated into these minutes as Attachment A.

Rabbi Haim DovBeliak commented in opposition to Hawaiian Gardens being issued a renewal license and addressed the Commission regarding the death of a peace officer.

Keith Sharp, Counsel for Hawaiian Gardens, disputed the claims of Ms. Hunter and Rabbi DovBeliak and stated there was no rational basis in fact or law for denial of this license. Mr. Sharp advised that Hawaiian Gardens has a proven track record, runs a sound business, and is a strong center of employment. Counsel Sharp also stated Hawaiian Gardens has demonstrated they are a major contributor to the local community, explained security measures; and supplied a copy of correspondence, from the local sheriff's department confirming that in 2004, the casino had the third lowest crime rate per capita in seven years which is incorporated in these minutes as Attachment B. Mr. Sharp thanked the Commission and Division for their time and stated it is the casino's intention to continue to comply with all of the laws and regulations, and conditions imposed today.

Commissioner Sasaki asked if there were cameras focused on the entrance and exits of the parking lots and also inquired if according to condition number two, there were security guards at all entrances.

Counsel Sharp advised that there were cameras in place and security guards at all entrances.

Commissioner Cruz asked Ms. Hunter if she was alleging that the current application has misrepresentations or statements believed to be untrue.

Ms. Hunter responded that the Coalition provided the Commission with an 80-page submission pertaining to the allegations in November 2003 that was obtained through the Public Records Act.

Commissioner Cruz responded to Ms. Hunter's statements by stating that the opponents seem to be asking us to substitute our own judgment for that of the local citizens and elected officials who have allowed the casino to operate in place; as well as not providing any compelling evidence as to why the license should be denied.

Commissioner Sasaki amended the motion to include condition six and Commissioner Cruz amended his second. The motion was 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 state gambling license for Hawaiian Gardens with the conditions presented by staff applied to the license.

d. Players Poker Club: Monica Donohoo – Sole Proprietor

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license for Players Poker Club Item 2.e., under either staff recommendation Option A or staff recommendation Option B, which she presented to the Commission as follows:

Option A:

Staff recommends the Commission approve a state gambling license to the owners of Players Poker Club valid from September 1, 2005 through March 31, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876(a) and will not operate from September 1, 2006 to March 31, 2007 unless fees in the amount of \$2,450.00 are paid no later than August 31, 2006.

Option B:

Staff recommends the Commission approve a state gambling license to the owners of Players Poker Club issued on September 1, 2005 through August 31, 2006.

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 a State gambling license, with the terms specified in the staff recommendation, Option A, for Players Poker Club.

f. Rancho's Club: Ruben Marquez and Blanca Marquez – Sole Proprietors

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license for Rancho's Club, Item 2.f., under either staff recommendation Option A or staff recommendation Option B, which she presented to the Commission as follows:

Option A:

Staff recommends the Commission approve a state gambling license to the owners of Rancho's Club valid from September 1, 2005 through January 31, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876(a) and will not operate from September 1, 2006 to January 31, 2007 unless fees in the amount of \$1,313.00 are paid no later than August 31, 2006.

Option B:

Staff recommends the Commission approve a state gambling license to the owners of Rancho's Club issued on September 1, 2005 through August 31, 2006.

Commissioner Williams inquired whether staff had contacted these clubs to inquire if they were able to pay these additional fees.

Manager Podesto explained that these were not additional fees, but fees that would accrue during the extended period of the recommended rotation of the new renewal date.

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 application for renewal of a state gambling license, with the terms specified in the staff recommendation Option A, for Rancho's Club.

g. Rogelio's: Rogelio's, Incorporated – Corporation

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for the renewal of a state gambling license for Rogelio's, Incorporated, Item 2.g., under either staff recommendation Option A or staff recommendation Option B, which she presented to the Commission as follows:

Option A:

Staff recommends the Commission approve a state gambling license to the owners of Rogelio's valid from September 1, 2005 through March 31, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876(a) and will not operate from September 1, 2006 to March 31, 2007 unless fees in the amount of \$292.00 are paid no later than August 31, 2006.

Option B:

Staff recommends the Commission approve a state gambling license to the owners of Rogelio's issued on September 1, 2005 through August 31, 2006.

Commissioner Cruz questioned the request for two additional tables when Rogelio's generated annual gross revenue of \$15,000 this past year, which represents a decrease of 5% from the previous year. Commissioner Cruz indicated that in comparison to other clubs this revenue is considerably lower and asked if there was an explanation and if this was unusual.

Ms. Podesto stated that the location, hours of operation, and number of tables can determine the annual gross income. Manager Podesto also stated that this was not unusual and of no concern because some businesses may only have two tables and operate only on weekends. Manager Podesto also stated that the Division's report did not indicate any concern.

Upon motion of Commissioner Sasaki, 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 application for renewal of a state gambling license, with the terms specified in the staff recommendation Option A, for Rogelio's.

3. Approval of Transfer of Shares:

a. Bicycle Casino: Transfer of shares of certain currently licensed Park Place Associates, Ltd partners to LCP Associates, Ltd.; the listed persons will become partners in LCP Associates, Ltd.

- i. Douglas Ayres
- ii. Katie DeChamplain
- iii. Judith Krokover
- iv. Shirley Kunisaki
- v. Thomas Kunisaki
- vi. Thomas Madigan
- vii. Valerie Ota
- viii. Valeria Ota, Executor of the Estate of Yoshiaki Ota
- ix. Kim Siner
- x. Jamie Madigan Tait

b. Bicycle Casino: Transfer of shares of certain currently licensed partners of Park Place Associates, Ltd. to existing LCP Associates partners; the listed sellers will no longer have any interest in the Casino.

- i. Key Play, Inc.
- ii. Gary Budahn
- iii. Debra Budahn - Community Property Interest
- iv. Robert E. Cuicchi
- v. Emily Cuicchi - Community Property Interest
- vi. Beulah G. Levinson Deitch
- vii. Eddie Drosis
- viii. William Farnam
- ix. Lili Farnam
- x. Peter Fettis
- xi. Paul Dean Goodman
- xii. Richard Levinson
- xiii. Sharyn Levinson - Community Property Interest
- xiv. Jane Nakagawa
- xv. John Scott Olson
- xvi. David Pinizzotto
- xvii. Mary Pinizzotto
- xviii. Paul Schoelen
- xix. Lee Weber
- xx. Albert Kermer, Jr.
- xxi. Ellen Kermer - Community Property Interest

Senior Legal Counsel Herb Bolz presented Item 3.a., Bicycle Casino: Transfer of shares of certain currently licensed Park Place Associates, Ltd., partners to LCP Associates, Ltd., and 3.b., Bicycle Casino: Transfer of shares of certain currently licensed partners of Park Place Associates, Ltd. to existing LCP Associates partners. Mr. Bolz stated that Bicycle Casino is owned by a joint venture which consists of two limited partnerships: LCP Associates, Ltd. and Park Place Associates, Ltd., (PPA) and the majority holder in the joint venture is LCP. LCP is proposing to buy out PPA and some of the PPA partners are selling their interests to LCP and the remainder of partners in PPA will transfer their interests to LCP. The following listed persons will become partners in LCP Associates, Ltd., doing business as Bicycle Casino: Douglas Ayres, Katie DeChamplain, Judith Krokover, Shirley Kunisaki, Thomas Madigan, Valerie Ota, Valeria Ota, Executor of the Estate of Yoshiaki Ota, Kim Siner, and Jamie Madigan Tait. Counsel Bolz further stated that the persons listed in Item 3.b. would sell out and have no further interest in the casino. Mr. Bolz also advised that the Bicycle Casino would no longer be referred to as a joint venture and would file a new fictitious name upon Commission approval.

Commissioner Sasaki requested verification that all of the ownership percentages and figures were accurate.

Counsel Bolz assured the Commission that, after several drafts, the figures were accurate.

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 transfer of shares for Bicycle Casino, Items 3.a. and 3.b.

4. 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

Manager Podesto indicated that the Division of Gambling Control requested that the Commission table Item 4.a.

Chairman Shelton stated he was encouraged to refer the new information back to the Division.

Eric George, Counsel for Cascade Entertainment Group, LLC, explained that within the past two days there was an arbitration award between Cascade Entertainment and the Chukchansi Tribe. This award, in favor of Cascade Entertainment, is more than \$23 million. Mr. George stated the award is 52-pages of detailed findings of many of the same issues that the tribe previously raised before the Commission. Mr. George

indicated that the findings include some of the arbitrator's thoughts of the merits of the adverse accusations made against Cascade by the tribe. Mr. George also stated that Cascade would like to provide the Commission with a copy of the award, however, arbitration proceedings by contractual agreement are confidential. Mr. George indicated that as soon as there is a filing with the court on the award and the award becomes a final judgment, Cascade would submit a copy of the award with their request to table any further proceedings so there is no inconsistency between any findings of the Commission and the court.

Richard Armstrong, Counsel for the Picayune Rancheria of Chukchansi Indians, stated the arbitration was a contractual matter between the tribe and Cascade Entertainment and the 52-page arbitration award is merely a contractual review of the information and facts. Mr. Armstrong also stated an important consideration, aside from the arbitration award, is the pending Division investigation with regard to the potential criminal activities by Cascade and its officers and employees at Picayune Rancheria.

Norm Pierce, Deputy Director, Division of Gambling Control, informed the Commission that the Division's Compliance and Enforcement Section is continuing its assessment of various allegations made by the tribe and is reviewing a number of documents provided to the Division. Deputy Director Pierce stated he was uncertain when that assessment would be completed and currently there is no solid information that can be disclosed as to the outcome or findings of that assessment.

Chairman Shelton asked Mr. Pierce what the Division thought was a fair amount of time to table this item.

Mr. Pierce stated that the Division's Special Agent, Eric Lynch indicated two to three months was a realistic timeframe before a determination would be made as to whether or not prosecution would be feasible or pursued.

Commissioner Cruz asked if there would be anything inconsistent with the public interest to table the matter at this point?

Deputy Director Pierce advised, not at this time.

Chief Counsel Rickards stated that the Commission has not received any information regarding a criminal investigation and added that the Division will want to look at the arbitration award and then may have a better assessment of when the issue can be brought back to the Commission. Chief Counsel Rickards indicated that the Finding of Suitability request for withdrawal and the purported criminal investigation are not necessarily linked and the Commission could make a decision on the request for withdrawal prior to the completion of the criminal investigation, depending on the circumstances. However, Chief Counsel Rickards indicated the necessity of the Division to review the arbitration information prior to having the matter brought back to the Commission.

Chairman Shelton stated that the Commission would like to have the issue brought back before the Commission within sixty-days and inquired if that was agreeable to all parties.

Since the sixty-day timeframe was agreeable to all parties, Chairman Shelton stated there was no need for a vote and tabled Item 4.a., for sixty days.

5. Applications for Tribal-State Compact Key Employee Finding of Suitability:
Santa Rosa Indian Community of the Santa Rosa Rancheria – The Palace Indian Gaming Center:
 - a. Alvey, Jerry

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend denial of the application for Tribal-State Compact Key Employee Finding of Suitability for Jerry Alvey, Item 5.a. Manager Podesto advised that Mr. Alvey was advised in writing of the pending recommendation for denial.

Upon motion of Commissioner Sasaki 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 denied the application for Tribal-State Compact Key Employee Finding of Suitability for Jerry Alvey.

- b. Big Sandy Rancheria of Mono Indians of California – Mono Winds Casino:
Padilla, Glenda

Manager Podesto indicated that both the Division of Gambling Control and Commission staff recommend denial of the application for Tribal-State Compact Key Employee Finding of Suitability for Glenda Padilla, Item 5.a. Manager Podesto advised that Ms. Padilla was advised in writing of the pending denial.

Ms. Glenda Padilla, employed by Big Sandy Rancheria, stated she did not agree that she should be denied a Finding of Suitability. Ms. Padilla stated she had turned her life around and has been sober for 17 years and stated it had been 21 years since she had committed her felony. Ms. Padilla stated she was a single working parent and has been a dedicated worker at the casino for nine years.

Chairman Shelton commended Ms. Padilla on turning her life around and stated it was not the intention of the Commission to show any disrespect, but that the Commission doesn't have a choice in this instance because its responsibility is to enforce the Gambling Control Act. Chairman Shelton also stated that the Division's report commended Ms. Padilla on changing her life and assured her that the casino would continue to employ her.

Ms. Padilla asked how to go about clearing her felony record.

Chairman Shelton referred her to Chief Counsel Rickards for suggestions in clearing her record.

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 the denial of the Application for Tribal-State Compact Key Employee Finding of Suitability for Glenda Padilla.

6. Staff Report:

- a. Status of Compliance with Title 4, California Code of Regulations, section 12402(b) – Chart of Accounts

Deputy Director Gary Qualset presented the staff report concerning Title 4, California Code of Regulations, section 12402(b), Chart of Accounts Regulation, which became effective September 16, 2004. Deputy Director Qualset explained that the chart of accounts in a licensee's accounting records is equivalent to a table of contents in a book. Mr. Qualset stated that the chart of accounts establishes the framework for performing the accounting, financial reporting, and recordkeeping; and assists in the regulatory auditing and compliance review. Deputy Director Qualset further stated that a majority of the required chart of accounts have been received or approved by the Commission and reminder notices were sent to card rooms on December 13, 2004, advising of a 90-day due date. Mr. Qualset stated that deficiency letters were issued on June 6, and June 7, 2005, with a second requested due date of July 1, 2005.

Mr. Qualset advised that when implemented, the pending disciplinary regulations would assist in addressing Business and Professions Code section 19930(c) and any fine or penalties to be imposed for non-compliance.

Chairman Shelton stated that this item did not require any Commission action.

CONSENT CALENDAR ITEMS

1. Application for Renewal of Work Permit:

- a. River Cardroom:
Barton, Noelle
- b. St. Charles Place:
Howell, Walter
- c. The 101 Casino:
Howson, Elenita
Hurlburt, Jennifer
Provolt, Nicole

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:
Amundson, Gary
Bonfiglio, Susan
Walton, Karl
- b. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Casino:
Guerrero, Andrew
Guerro, Greg
- c. Cabazon Band of Mission Indians – Fantasy Springs Casino:
McGuffin, Carol
- d. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino & Bingo:
Morris, Phillip
- e. Campo Band of Diegueno Mission Indians of the Campo Indian Reservation – Golden Acorn Casino & Travel Center:
Escobar, Jorge
- f. Jackson Rancheria of Me-Wuk Indians of California – Jackson Casino:
Bresciani, Pete
- g. Middletown Rancheria of Pomo Indians of California – Twin Pine Casino:
Brossard, Gayle
Yee, Teri
- h. Mooretown Rancheria of Maidu Indians of California – Feather Falls Casino:
Gouveia, Diana
- i. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
Bagwell, Samuel
Bartholomew, Bradley
Hawley, Theresa
Marchese, Noreen
Nhep, Veasna
Ohl, Jeanette
Wilson, Jayne
- j. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Gaming Center:
Kaminski, Rebecca
Khounphithack, Vantana
Lopez, Arthur
Mazzocco, Mark
Saad, Medhat
Tiamzon, Marvin

- k. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino:
 - Haggard, Teresa
 - Jennings, Kelli
 - Jones, Zennia
 - Ponce, Kirk
 - Wade, Heather
 - Williams, Christopher
- l. Redding Rancheria – Win-River Casino:
 - Wilson, Walter
- m. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:
 - Byrum, Jean
 - Collazo, Charles
 - Cook, Christopher
 - Gao, Jingming
 - Noel, Jeffrey
 - Vikornvongvanich, Paula
- n. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino:
 - McMinn, John
 - Rosario, Molly
 - Saechao, San
- o. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
 - Matanane, Charles
 - Tansley, Michael
- p. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino:
 - Campbell, Nelson
 - Corpus, Enrico
- q. Sherwood Valley Rancheria of Pomo Indians of California – Black Bart Casino:
 - Nelson, Anthony
- r. Soboba Band of Luiseno Indians- Soboba Casino:
 - Bennett, Carole
 - Brown, Roy
 - Groom, Midene
- s. Tule River Indian Tribe of the Tule River Reservation – Eagle Mountain Casino:
 - Chavez, Ruben
 - Christman, Victoria
 - Estrada, Abraham
 - Manuel, Patrick

- t. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak:
Billot, Steven
Christian, Aaron
Houser, Donald
Rown, Kimberly
 - u. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
Cung, Eric
Sauter, Michael
 - v. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club:
Bisbines, Dawn
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:
Fleeman, Donald
Henschel, Karl B.
Hirschhorn, Darlene
McEachern, Katherine
Montano, Jose
Musson, Jean
Pepple, Jeffrey
Reyes, Richard
Tritchkov, Alice
Velez, Jhonathan
Walker, Carlos
Whitton, Steven
Williams, Richard
Wright, Robert
 - b. Chemehuevi Indian Tribe of the Chemehuevi Reservation – Havasu Landing Resort Casino:
Pratt, Gerald
 - c. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
Cook, John
Pena, Jessica
 - d. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala Casino:
Adams, Kimberly
Andrews, George
Arias, Theresa
Buchholz, Donald
Clark, Michael
Crenshaw, Michael

- Deguzman, Leah
- Fabek, Thomas
- Leidenheimer, Robert
- Lopez, Roman
- Maniotis, Michelle
- Newman, Ronald
- e. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation –
Pechanga Gaming Center:
 - Atkins, David
 - Carroll, Richard
 - Kramer, Gregory
 - Maroney, William
 - Thompson, Tim
 - White, Charles
- f. Quechan Tribe of the Fort Yuma Indian Reservation – Quechan Paradise
Casino:
 - IronCloud, Dorinda
- g. Redding Rancheria – Win-River Casino:
 - Blue, Kirk
- h. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek
Casino:
 - Ngan, Kim
- i. San Manuel Band of Serrano Mission Indians of the San Manuel
Reservation – San Manuel Indian Bingo & Casino:
 - Rawson, Sim
 - Rothenberger, Rick
 - Short-Smith, Stephanie
 - Starcher, Debra
 - Starcher, James
 - Thai, Johnny
 - Vanderplow, Gary
 - Wright, Peter
 - Yang, Warren
- j. Twenty-Nine Palms Band of Mission Indians of California – Trump 29
Casino:
 - Bickle, Karla
 - Bolanos, Charlene
 - Caudill, Terry
 - Cordova, Karen
 - De Lara, Roman
 - Ferguson, Patricia
 - Guerrero, Melissa
 - Krenek, Linda
 - Parra, Jaime
 - Santillan Christina

- Thomas, Earl
- Villareal, Angela
- k. United Auburn Indian Community of the Auburn Rancheria of California –
Thunder Valley Casino:
 - Barber, John
 - Berkenstock, Bruce
 - Byrd, Cheri
 - Carver, Matthew
 - Cater, Wade
 - Cazares, Derek
 - Champion, Estella
 - Chavez, Marysabel
 - Chin, Cheng
 - Clave, Steven
 - Collins, Michael
 - Connolly, Tyler
 - Dobrovoldki, Oleg
 - Donohu, Janet
 - Duong, Alan
 - Duong, Monik
 - Easley, Ann
 - Edwards, Jason
 - Gentry, Cindy
 - Gonzales, Dennis
 - Guzy, Kevin
 - Kautz, Terrance
 - King, Aaron
 - Lee, Mark
 - Madden, Sandy
 - Martinez, Abel
 - Morgan, Matthew
 - Munoz, Delita
 - Nye, Val
 - Ong, Osmundo
 - Pais, Eduardo
 - Phui, Jimmy
 - Phui, Michael
 - Roeber, Michelle
 - Romero, Thomas
 - Saelee, Saancho
 - Sanderson, Thomas
 - Smathers, Joseph
 - Valdemoro, Cedric
 - Vang, Hue
 - Wilson, Karen

- Wyrsh, Nancy
Xiong, Chai
- I. Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation – Viejas Casino & Turf Club:
- Drouse, Larry
Frank, Walter
Lukianczyk, Robert
Pace, Steve
Quick, Richard
Safar, Tad
Tozer, Edwin

Manager Podesto presented the Consent Calendar to the Commission for its consideration of: (1) applications for renewal of a work permit (2) Tribal-State Compact Key Employee Findings of Suitability, and (3) renewal of Tribal-State Compact Key Employee Finding of Suitability and stated that spelling corrections were necessary for Item 3.j., Angela Villarreal, and Item 3.k., Oleg Dovrovoiski. At the request of staff Item 3.e., Charles White, Item 3.g., Kurk Blue, Item 3.i., Gary Vander, and Item 3.j., Christine Santillan were removed from the Consent Calendar.

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 Consent Calendar.

PUBLIC COMMENT

John Schreck, Owner of the Outpost Casino, requested consideration in hastening his license application approval process, indicating that he applied for a license a year and a half ago, and the casino has been forced to remain closed during that time.

CLOSED SESSION

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

ADJOURNMENT

Upon motion to adjourn the meeting by 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 meeting adjourned at 2:59 p.m.

Coalition for Justice in Hawaiian Gardens & Jerusalem

Honorary Chairs

Ed Asner
Stanley Sheinbaum
Wallace Albertson
Rabbi Allen Freshling

Coalition Coordinators

Rabbi Haim Dov Beilak
Jane Hunter

Advisory Board

Dr. Rachel Adler
Arlene Andrew
Yigal Arens
Reena Bernards
Dr. Karen Brodtkin
Prof. Gerald Bubis
Miriam Cantor
Rabbi Neil Domess-Daniels
Dr. Anthony Darder
Rabbi Laurence Edwards
Rabbi Lisa Edwards
Rabbi Stephen J. Einslein
Ralph Fertig
Rabbi Jeffrey A. Foust
Rabbi Pamela Frydman-Baugh
Rabbi Laura Geller
Prof. Miryam Glazar
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Rabbi Nadya Gross
Rabbi Victor Gross
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Elaine Hoffman
Rabbi Steven Jacobs
Drs. Bruce & Carole Kaplan
Rabbi Jan Katzew
Rev. Mary Ellen Kilsby
Melodie Kleiman
Rabbi Marc Klein
Dr. Brian Koffman
Rabbi Allen Krause
Michael Lombardi
Rabbi Jeff Marker
Carmen Marie Marquez
Mina K. Meyer
Walter McKinney
Dr. Lawrence Moss
Dr. Sharon M. Raphael
Rabbi Sanford Ragins
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Bishop Joseph Sartoris
Rabbi Gerry Serota
Evelyn Laser Shlensky
David I. Shulman
Rabbi Don Singer
Rabbi Rav A. Soloff
Gary Stern
Joel Stern
Sandor and Faye Straus
Gila Svirsky
Uri Taill
Rabbi Arthur Waskow
Rabbi Zari Weiss
Steve Zeltzer

Hawaiian Gardens members not included because they fear retaliation

www.stopmoskowitz.org

P.O. Box 67903, Los Angeles, CA 90067
310-553-1146

August 11, 2005

Chairman Dean Shelton
Commissioner John Cruz
Commissioner J.K. Sasaki
Commissioner Ed C. Williams
California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

by fax to 916-263-0499 and 916-263-0452 and by mail

RE: Hawaiian Gardens Casino ignores condition of license

Dear Chairman and Commissioners:

As we told one of your staffers in January 2005, the rear entrances to the Hawaiian Gardens Casino are always open and no guards are in evidence. We have seen this in many visits over the last year. We are including letter photos that we took on two such visits, one in March and one in June. As you can see from the photos, young children are present. In one case, a child actually takes a shortcut the entire width of the casino property from Carson St. to Elaine Ave, on her way to the Fedde Middle School.

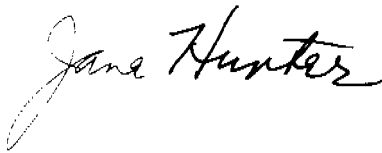
When you granted Irving and Cherna Moskowitz a conditional license a year ago, one of the three conditions you placed on the license was: *"Licensee shall maintain licensed security guards at all entrances and exits of the gambling establishment during operating hours to ensure the safety of employees and patrons, and that no persons under the age of 21 gain entrance to the establishment."*

We believe these photos show conclusively that the Moskowitzes are simply ignoring a key condition that you set upon their license. We believe that their flagrant disregard demonstrates their unsuitability under the California Gambling Control law for a gambling license.

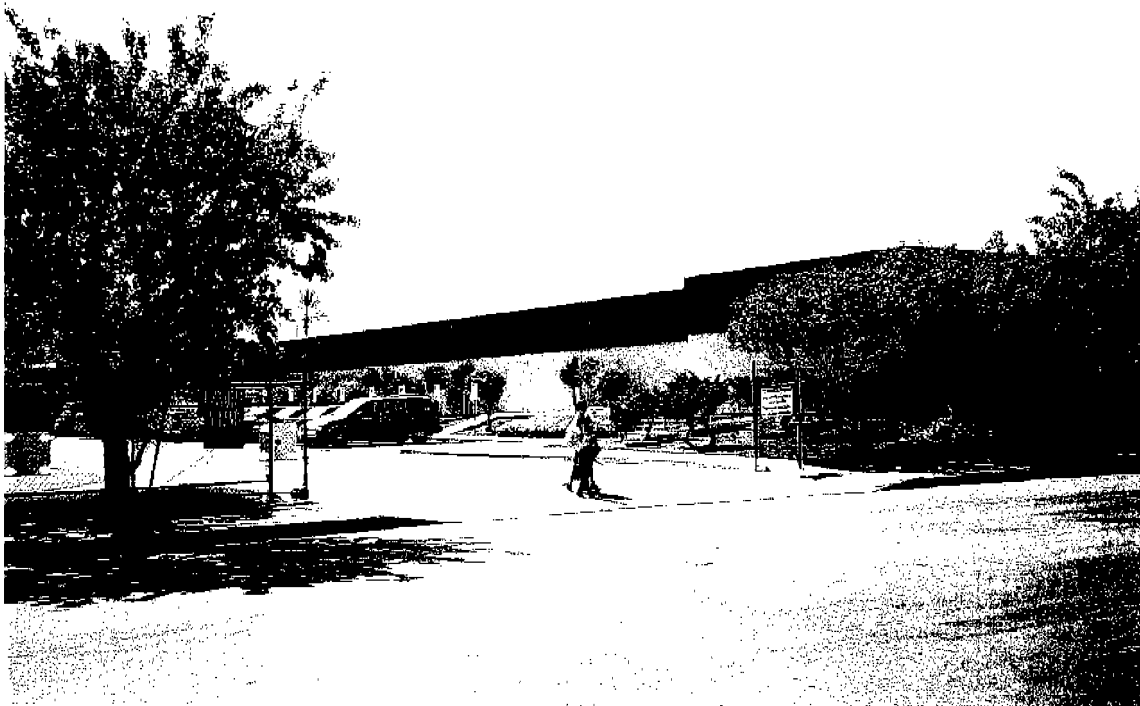
The California Gambling Control Act, enacted by the state legislature as Business and Professions Code §19800 (et seq.), begins by stating that it is the longstanding public policy of the state of California to disfavor the business of gambling unless it is regulated so as not to endanger the public health, safety and welfare. We urge you to act upon your mandated responsibility to the public welfare and to deny Irving Moskowitz's license renewal application.

The photos follow. You will be able to find them in color on our website, www.stopmoskowitz.org, either Friday or Monday.

Sincerely yours,



Jane Hunter
Coalition Co-director



Mother, child walk past casino vendor gate, open wide. March 7, 2005



Child trailing behind mother at open casino vendor gate, March 7, 2005



Student taking shortcut through casino property from Carson St. to Elaine Ave., June 1, 2005



Student completes shortcut through casino property, June 1, 2005



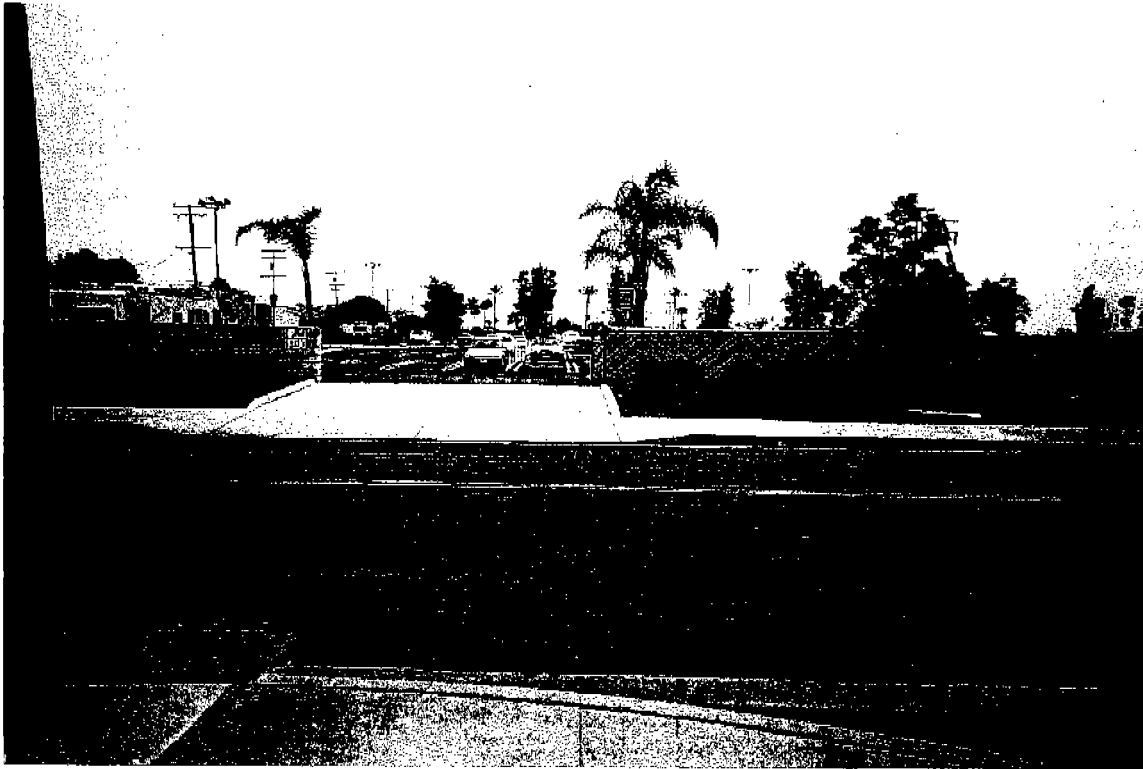
Students walking past wide-open casino gate. June 1, 2005



School crossing on Elaine, with parents dropping off children on casino side of street.
June 1, 2005



View from school and park side of Elaine Ave., looking East, March 7, 2005



Casino employee gate, wide open, June 1, 2005.

