

California Gambling Control Commission  
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MINUTES OF OCTOBER 6, 2005  
COMMISSION MEETING

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**OPEN SESSION**

Chairman Shelton called the meeting of October 6, 2005, to order at 1:32 p.m., with Commissioners Cruz, Sasaki and Williams present.

Staff Participating: Cara Podesto, Acting Deputy Director, Licensing Division, Cyrus Rickards, Chief Counsel, Legal Division, and Gary Qualset, Deputy Director, Audit and Compliance Division.

Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in the vote by roll call with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission adopted the July 7, 2005 meeting minutes.

**DECISION ITEMS**

1. Applications for Work Permit:
  - a. Caesar's Club:  
Alvarez –Cavadas, Ignacio
  - b. Outlaws Card Parlour:  
Manfredi, Lori

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Ignacio Cavadas Alvarez, Item 1.a., and Lori Manfredi, Item 1.b. Upon motion of Commissioner Williams, seconded by Commissioner Sasaki and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the applications for a work permit for Ignacio Cavadas Alvarez and Lori Manfredi.

2. Request for Additional Authorized Tables:

- a. Angie's Poker Club: Angela Harris, Sole Proprietor

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for two additional tables for a total of five tables authorized on the license for Angie's Poker Club, Item 2.a. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the request for two additional tables for Angie's Poker Club.

3. Applications for Renewal of State Gambling License:

- a. Angie's Poker Club: Angela Harris, Sole Proprietor

Acting Deputy Director 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 Angie's Poker Club, Item 3.a., 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 Angie's Poker Club valid from November 1, 2005 and expiring on April 30, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876A, and will not operate from October 31, 2006 through February 28, 2007 unless the fees in the amount of \$625 are paid no later than October 31, 2006.*

*Option B: Staff recommends the Commission approve a state gambling license to the owners of the Angie's Poker Club issued on November 1, 2005 and expiring on October 31, 2006.*

Commissioner Williams moved to adopt staff recommendation Option A, Commissioner Cruz seconded the motion which unanimously carried in a vote by roll-call with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes.

- b. Central Coast Casino (Paso Robles): David Stearns, Sole Proprietor

Acting Deputy Director Podesto indicated that because the license renewal application was filed late, the Division of Gambling Control needed additional time to complete their review of the renewal application, therefore, Commission staff recommended approval of a temporary three-month renewal of the state gambling license through December 31, 2005, contingent upon payment of the renewal fees, for Central Coast Casino, Item

3.b. Upon motion of Commissioner Cruz, seconded by Commissioner Sasaki, and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the staff recommendation.

c. Oasis Card Room: Chieko Epstein, Sole Proprietor

Acting Deputy Director 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 Oasis Card Room, Item 3.c., 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 Oasis Card Room valid from November 1, 2005 and expiring on February 8, 2007 based on the following conditions: the licensee must pay the annual table fees pursuant to Business and Professions Code section 19876A, and will not operate from October 31, 2006 through February 28, 2007 unless the fees in the amount of \$250 are paid no later than October 31, 2006.*

*Option B: Staff recommends the Commission approve a state gambling license to the owners of the Oasis Card Room issued on November 1, 2005 and expiring on October 31, 2006.*

Commissioner Sasaki moved to approve the staff recommendation Option A, Commissioner Cruz seconded the motion.

Commissioner Williams expressed concerns regarding the gambling establishment being located in the same building as a business that has had its ABC license suspended twice for violations. Commissioner Williams suggested that a temporary license be issued to allow staff time to confirm and report back to the Commission that the gambling establishments owner had no involvement in the ABC license suspension.

Commissioner Sasaki withdrew her motion and Commissioner Cruz withdrew his second to the motion. Commissioner Cruz moved to approve a temporary one-month renewal of the state gambling license for Oasis Card Room, Item 3.c. Commissioner Williams seconded the motion, which unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes.

Prior to the conclusion of the meeting, Deborah DeRosier, Division of Gambling Control, addressed the Commission regarding Oasis Card Room, Item 3.c. Ms. DeRosier stated that the ABC license violations that caused Commissioner Williams concern did not pertain to the licensee of the Oasis Card Room and were not at all related to either the licensee or the gambling establishment.

d. Palace Card Club: Katherine Bousson, Sole Proprietor

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a renewal of a state gambling license through October 31, 2006 for Palace Card Club, Item 3.d. Upon motion of Commissioner Williams, seconded by Commissioner Sasaki, and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the renewal of the state gambling license through October 31, 2006 for Palace Card Club.

e. Royal Flush Casino: Adolfo & Hope Martinez, Sole Proprietors

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a renewal of a state gambling license through October 31, 2006 for Royal Flush Casino, Item 3.e. Commissioner Williams moved to adopt the staff recommendation and Commissioner Cruz seconded the motion.

Commissioner Sasaki requested staff to confirm with the Division of Gambling Control that the gambling establishment's security plan complied with local ordinance standards.

Chairman Shelton directed staff to report back to the Commission on the findings of Commissioner Sasaki's request at the next scheduled Commission meeting.

Prior to the conclusion of the meeting, Acting Deputy Director Podesto addressed the Commission in response to Commissioner Sasaki's request for confirmation that the Royal Flush Casino, Item 3.e., security plan was in compliance with local ordinance requirements. Deputy Director Podesto indicated that the Division of Gambling Control was able to confirm that the gambling establishments security plans did comply with the local ordinance requirements.

The motion made by Commissioner Williams and seconded by Commissioner Cruz unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the renewal of the state gambling license through October 31, 2006 for Royal Flush Casino.

f. S and K Cardroom: Otho M. Smith, Sole Proprietor

Acting Deputy Director Podesto indicated that because the license renewal application was filed late, the Division of Gambling Control needed additional time to complete their review of the renewal application, therefore, Commission staff recommended approval of a temporary three-month renewal of the state gambling license through January 31,

2006 for S and K Cardroom. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki and Williams voting yes the Commission adopted the staff recommendation.

4. Application for Tribal-State Compact Key Employee Finding of Suitability – Request For Withdrawal:

- a. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:  
Romero, David J.

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval with prejudice of the request for withdrawal of the application of Tribal-State Compact Key Employee Finding of Suitability for David J. Romero, Item 4.a. Upon motion of Commissioner Cruz, seconded by Commissioner Williams and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki and Williams voting yes, the Commission adopted the staff recommendation.

5. Tribal–State Gaming Compact Gaming Device License Draw (Compact Section 4.3.2.2).

Deputy Director Qualset announced that staff had just received written correspondence from two compacted tribes concerning Item 5. Deputy Director Qualset provided the Commission with the letters from Colusa Indian Community and San Pasqual Band of Digueno Mission Indians, and indicated that the letter from the San Pasqual Band of Digueno Mission Indians would be included in the record pursuant to their request.

Deputy Director Qualset presented the results of the October 3, 2005, preliminary Joint Tribal-State Gaming Compact Device License Draw meeting to the Commission for its consideration, and approval of issuing gaming device licenses under Tribal-State Gaming Compact section 4.3.2.2, to the eligible tribes that are to be awarded gaming device licenses in the current draw. Deputy Director Qualset indicated that 333 surrendered licenses were made available at the draw. Deputy Director Qualset further indicated that notice of the gaming device license draw was sent to all compacted tribes on August 12, 2005, and that the notice included a final filling date (September 15, 2005) for acceptance by the Commission of applications from tribes wanting to participate in the draw. Deputy Director Qualset indicated that staff recommends the Commission allocate and award 150 gaming device licenses to Alturas Rancheria, 75 gaming device licenses to Augustine Band of Cahuillia Mission Indians, and 108 gaming device licenses to Middletown Rancheria of Pomo Indians. A motion was made by Chairman Shelton and seconded by Commissioner Williams to adopt the staff recommendation.

Commissioner Cruz inquired of staff whether it would be appropriate for the Commission to make a decision regarding the allocation of the 333 gaming device licenses without first analyzing the correspondence just received from the Colusa Indian Community and San Pasqual Band of Digueno Mission Indians.

Deputy Director Qualset responded to Commissioner Cruz's concerns indicating that the gaming device license draw was conducted under the same practice and procedures that were adhered to for all previous gaming device license draws conducted by the Commission, and that based on a review of the correspondence just received, staff recommends nevertheless that the Commission move forward with its decision on the allocation of gaming device licenses.

Commissioner Cruz asked whether any of the litigation currently pending related to Commission action regarding the issuance of gaming device licenses.

Chief Counsel Rickards responded to Commissioner Cruz, indicating that the issues raised in the two letters just received were similar to the issues raised in the lawsuit filed by the Colusa Indian Community regarding the state-wide cap on gaming device licenses, the tier system used for calculating gaming device license fees, and the Commission's authority to conduct gaming device license draws. Chief Counsel Rickards indicated that because these objections were being addressed generally in the pending litigation, and not made specific to the gaming device license draw now being considered, he finds no reason why the Commission should not act on the allocation of the 333 gaming device licenses.

Tracy Lee Nelson, La Jolla Indian Reservation, asked the Commission for a reconsideration of the determination that La Jolla was not eligible to participate in the October 3, 2005 gaming device license draw. Mr. Nelson further indicated that he believes the procedure in which participating tribes have an opportunity to object to the participation of another tribe, in certain instances, may create animosity among the tribes.

Deputy Director Qualset, commented on La Jolla's ineligibility to participate indicating that objection to their participation was raised at the Joint Tribal-State Pre-Draw meeting because although they had submitted by facsimile a copy of the application and proof of a cashier's check, the actual items were not received at the Commission's offices before the deadline of 5:00 P.M. on September 15, 2005.

Sally M. Sanchez, Colusa Gaming Commission, commented in protest of the allocation of gaming device licenses presented by staff in their recommendation to be awarded to the Alturas Rancheria.

The motion made by Chairman Shelton and seconded by Commissioner Williams, to adopt the staff recommendation that the Commission allocate and award 150 gaming





