

California Gambling Control Commission
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MINUTES OF DECEMBER 15, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of December 15, 2005, to order at 10:30 a.m., with Commissioners Cruz, Sasaki, and Williams present.

Staff Participating: Steve Giorgi, Executive Director, Cara Podesto, Acting Deputy Director, Licensing Division, and Cyrus Rickards, Chief Counsel, Legal Division.

DECISION ITEMS

1. Applications for Work Permit:
 - a. The 101 Casino:
Beasley, John
Boyce, Robin

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 John Beasley and Robin Boyce, Item 1.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 applications for a work permit for John Beasley and Robin Boyce.

2. Applications for Key Employee License:
 - a. Lucky Chances Casino:
Alegrete, Kyle
Balce, Wilfredo
Baude, Ralph
Beyer, Joni Luanne
Callahan, Dennis
Chase, Dustin
Cheng, Judy

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Galletta, Cathy
Huie, Kwong
Long, Clifford
Martin, Brenda
Murphy, Michael
Nevarez, Bernie
Priolo Jr., Paul
Reyes, Roberto
Rogge, Roger
Scott, Michael
Shiu, Johnson
Siu, Kenneth
Tahmazian, Esteban
Totua, Shane
Vong, Thomas
Watanabe, Lorraine

The Commission took no action on the applications for a key employee license for Michael Murphy, which was removed from the calendar, and Thomas Vong, which was tabled at the request of staff.

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a key employee license for Kyle Alegrete, Wilfredo Balce, Ralph Baude, Joni Luanne Beyer, Dennis Callahan, Dustin Chase, Judy Cheng, Cathy Galletta, Kwong Huie, Clifford Long, Brenda Martin, Bernie Nevarez, Paul Priolo Jr., Roberto Reyes, Roger Rogge, Michael Scott, Johnson Shiu, Kenneth Siu, Esteban Tahmazian, Shane Totua, and Lorraine Watanabe, Item 2.a. Upon motion of 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 Commission approved the applications for a key employee license for Kyle Alegrete, Wilfredo Balce, Ralph Baude, Joni Luanne Beyer, Dennis Callahan, Dustin Chase, Judy Cheng, Cathy Galletta, Kwong Huie, Clifford Long, Brenda Martin, Bernie Nevarez, Paul Priolo Jr., Roberto Reyes, Roger Rogge, Michael Scott, Johnson Shiu, Kenneth Siu, Esteban Tahmazian, Shane Totua, and Lorraine Watanabe.

3. Request for Additional Authorized Tables:
 - a. Limelight Card Room: Peter Mikacich, Sole Proprietor

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the request for one additional table for a total of six tables authorized on the license for Limelight Card Room, Item 3.a. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously adopted in a roll-call 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 Limelight Card Room.

4. Application for State Gambling License:

a. Lucky Chances Casino: Lucky Chances, Inc. California Corporation

Manager Podesto indicated that the Division of Gambling Control recommends that the Commission approve the application for a state gambling license for Lucky Chances Casino, Item 4.a. Manager Podesto further indicated that Commission staff has reviewed the Division's recommendation and is recommending that the Commission approve a conditional state gambling license to Lucky Chances Casino for the period of January 1, 2006 through December 31, 2006, contingent upon the payment of fees, with the following conditions:

1. *The licensee must reduce its wagering limits to a maximum amount of \$200 per bet for poker games and \$200 per betting slot for Asian games.*
2. *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, 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's resolution, if any.*
3. *Licensee shall maintain licensed security guards at all entrances and exits of the gambling area during operating hours to ensure that no persons under the age of 21 gain access to the gambling area.*

Manager Podesto indicated that a site visit was conducted at Lucky Chances on December 14, 2005, and the establishment was found to be in compliance with the first condition.

Chairman Shelton opened the meeting for public comment regarding the item pending.

Micahael Franchetti, attorney for Lucky Chances Casino, presented comments concerning the city of Colma's ordinance regarding wagering limits. Mr. Franchetti indicated that the establishment is in compliance with the first condition recommended by staff and has no problem complying with the second condition. Mr. Franchetti further indicated with regard to the third condition that the gambling establishment currently has security guards on premise at the gambling establishment, which are employees of Lucky Chances Casino, however these guards are not licensed. Mr. Franchetti expressed concern with the term "licensed" security guards and requested that the Commission consider removing the word "licensed" from the third condition.

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Executive Director Giorgi indicated that a proprietary guard, who is an employee on the businesses payroll, is legal in California, and mentioned to Mr. Franchetti that another option would be to hire a registered¹ security guard from a private patrol operator.

Commissioner Cruz asked Mr. Franchetti if there had been a first reading of the new city ordinance at Colma's City Council meeting the previous night, and if Mr. Franchetti would share what the gambling establishment's position would be if the new ordinance should pass.

In response to Commissioner Cruz, Mr. Franchetti indicated that in the event the Colma City Ordinance passes, Lucky Chances Casino would request that the Commission remove the conditions on the license that were presently being recommended by staff, and Lucky Chances would remain in compliance with any conditions placed on the license until the Commission took action to have the conditions removed.

Commissioner Williams asked Mr. Franchetti if in 1998 Lucky Chances Casino was represented by counsel, and if they had been advised that they were operating illegally. Commissioner Williams also asked Mr. Franchetti whether he believed in 1998 that Lucky Chances' no-limit wagering was an expansion of gambling, and whether Mr. Franchetti was aware of any other gambling establishments that had no-limit wagering.

In response Mr. Franchetti indicated that he was counsel for Lucky Chances Casino in 1998 and they believed that they were operating in compliance with the Gambling Control Act. Mr. Franchetti further indicated that because Lucky Chances Casino was a new gambling establishment in 1998 they thought that the expansion of gambling provision of the Gambling Control Act did not apply to them. Mr. Franchetti also indicated that several gambling establishments including their closest neighbor Artichoke Joe's offers no-limit wagering.

Commissioner Sasaki asked Mr. Franchetti, with regards to the staff proposed third condition, if the gambling establishment had complete procedures and training for its personnel, and whether the gambling establishment had a zero tolerance policy regarding underaged patrons. Mr. Franchetti gave an affirmative response to Commissioner Sasaki's inquiries.

Commissioner Cruz asked Mr. Franchetti if it was the gambling establishment's position that it will not engage in wagering limits above \$200, regardless of a court decision, until the Commission acts to remove any such condition from the state gambling license. Mr. Franchetti gave an affirmative response to Commissioner Cruz's inquiries.

Paul Lotti, Chief of Police, City of Colma, commented in support of issuing a state gambling license to Lucky Chances Casino.

¹ The term "registered" as used here means licensed by the State of California

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Mario Panoringan, Chief Executive Officer, Colma City Chamber of Commerce, commented in support of issuing a state gambling license to Lucky Chances Casino.

Alan Titus, attorney for Artichoke Joe's, commented in opposition to issuance of a state gambling license to Lucky Chances Casino. Mr. Titus further commented on and presented the Commission a copy of the proposed amendment to Colma's ordinance that Mr. Titus indicated had been approved by the City Council, regarding multiple betting spots being consolidated into one stack of chips. A copy of the proposed amendment presented by Mr. Titus is incorporated into the minutes as Attachment A.

Chairman Shelton asked Deborah DeRosier of the Division of Gambling Control if the Division felt equipped to answer questions related to the 60 squares and betting 12,000 per hand per player house banking issues or would they prefer to come back to the Commission at a later time with a report.

Deborah Derosier responded that the Division would prepare a response to present to the Commission at later date.

Norm Pierce, Division of Gambling Control, indicated that a site visit was conducted at Lucky Chances on December 14, 2005 and at that time it was verified that the games that were being played at the gambling establishment were consistent with wagering practices throughout the state, which can be up to 60 squares per table. Mr. Pierce further indicated that the Division's legal counsel has not addressed the issue regarding stacking of chips.

Commissioner Cruz asked Mr. Pierce if the practice of 60 squares per table and the stacking of chips would be in compliance with most city ordinances.

Mr. Pierce responded that in general city ordinances do not specifically address the issues of squares and/or stacking of chips. Mr. Pierce further indicated that currently there exists a fundamental question, which has not yet been addressed, as to whether the current practice of the use of squares and/or stacking of chips does comply with city ordinances.

Rod Blonien, Lobbyist, spoke in support of the Commission issuing a state gambling license to Lucky Chances Casino.

Chairman Shelton moved to approve a temporary 120-day license with the conditions recommended by staff applied to the license, with the exception of replacing the word "license" with "proprietary" in condition three for Lucky Chances Casino, Item 4.a., to allow the Division time to research the legality of games being played that involve multiple squares and stacking of chips, and report back to the Commission.

Commissioner Williams seconded the motion, which unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes.

Condition three, as amended, is as follows:

Licensee shall maintain proprietary security guards at all entrances and exits of the gambling area during operating hours to ensure that no persons under the age of 21 gain access to the gambling area.

5. Application for Renewal of a State Gambling License:

a. Bay 101: Sutters Place, Incorporated, California Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a four-month temporary renewal of the state gambling license through April 30, 2006 for Bay 101, Item 5.a. Acting Deputy Director Podesto indicated that staff's recommendation for a temporary renewal of the license was to allow the Division additional time to complete their background investigation. 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 a four-month temporary renewal of the state gambling license through April 30, 2006 for Bay 101.

b. Casino Club: Ileana Harris, Sole Proprietor

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary renewal of the state gambling license through March 31, 2006 for Casino Club, Item 5.b. 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 a three-month temporary renewal of the state gambling license through March 31, 2006 for Casino Club.

c. Club San Rafael: Pete's 881 Club, Inc., California Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary renewal of the state gambling license through March 31, 2006 for Club San Rafael, Item 5.c. 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 a three-month temporary renewal of the state gambling license through March 31, 2006 for Club San Rafael.

d. Hollywood Park Casino: Century Gaming Management, Inc., California Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary renewal of the state gambling license through March 31, 2006 for Hollywood Park Casino, Item 5.d. Acting Deputy Director Podesto indicated that staff's recommendation for a temporary renewal of the license was to allow the Division additional time to complete their background investigation. 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 a three-month temporary renewal of the state gambling license through March 31, 2006 for Hollywood Park Casino.

e. Tommy's Casino and Saloon: Tommy Wayne Buck, Inc., California Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of the state gambling license through December 31, 2006 for Tommy's Casino and Saloon, Item 5.e. 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 approved the application for renewal of the state gambling license through December 31, 2006 for Tommy's Casino and Saloon.

f. Village Club: Harvey Frank Souza, Sole Proprietor

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary renewal of the state gambling license through March 31, 2006 for Village Club, Item 5.f. Acting Deputy Director Podesto indicated that staff's recommendation for a temporary renewal of the license was to allow Commission staff additional time to complete their review of the Division's recommendation report. 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 a three-month temporary renewal of the state gambling license through March 31, 2006 for Village Club.

6. Application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability:

- a. A.C. Coin-Nevada: Max Seeling, Jason Seeling, Jeffrey Seelig, Jerald Seelig and Thomas McCormick, Nevada Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability through December 31, 2006 for A.C. Coin-Nevada, Item 6.a. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in a roll-call vote, with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability through December 31, 2006 for A.C. Coin-Nevada.

b. K.P. Gaming Supplies, Inc.: Kevin Paul Thornton, California Corporation

Acting Deputy Director Podesto indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability through December 31, 2006 for K.P. Gaming Supplies, Inc., Item 6.b. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in a roll-call vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability through December 31, 2006 for K.P. Gaming Supplies.

7. Proposed Commission Meeting Schedule

Acting Deputy Director Podesto presented to the Commission the staff proposed Commission meeting schedule from January 2006 through June 2006. Upon motion of 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 Commission approved the staff proposed Commission meeting schedule from January 2006 through June 2006. A copy of the adopted Commission meeting schedule is incorporated into the minutes as Attachment A.

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:
Fendrick, David
 - b. Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation – Barona Valley Ranch Resort and Casino:
Hammett, Carl
Parr, Caryn
Schloegel, James
Zarzosa, Jesus
 - b. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of

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- the Colusa Rancheria – Colusa Casino:
Jones, Julie
 - c. Cahuilla Band of Mission Indians of the Cahuilla Reservation – Cahuilla
Creek Casino:
Baird, Veldon

 - d. Pala Band of Luiseno Mission Indians of the Pala Reservation – Pala
Casino Resort Spa:
Popowich, Joseph
 - e. Pauma Band of Luiseno Mission Indians of the Pauma & Yuima
Reservation – Casino Pauma:
Carrasco, George
Castro, Lorena
Pham, Peter
 - f. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez
Reservation – Chumash Casino Resort:
Blakeley, Tamara
 - g. Table Mountain Rancheria of California – Table Mountain Casino:
Carpenter, Joshua
Negrete, Arthur
2. Applications for Tribal-State Compact Key Employee Finding of Suitability -
Renewals:
- a. Jackson Rancheria of Me-Wuk Indians of California – Jackson Rancheria
Casino, Hotel, and Conference Center:
Baldwin, Sean
Cole, Johnnie
 - b. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek
Casino Resort:
Beauchamp, Joe
Benoit, Eugene
Chau, Philip
Inphay, Thomas
Kinney, Harold
Manibot, Soudchay
Muncy, Robert
Padaca, Simon
Smith, Sayan
 - c. San Manuel Band of Serrano Mission Indians of the San Manuel
Reservation – San Manuel Indian Bingo & Casino:
Armstrong, Timothy
Derr, Brian
Durling, Jeffrey

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Lai, Steve
Nelson, John
Sanders, Jodie
Taylor, James

- d. United Auburn Indian Community of the Auburn Rancheria of California –
Thunder Valley Casino:
Beaton, David
Cavazos, Frank

Manager Podesto presented the Consent Calendar to the Commission for its consideration of the applications for Tribal-State Compact Key Employee Finding of Suitability and Tribal-State Compact Key Employee Finding of Suitability Renewals. 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 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.

Chairman Shelton introduced Eric Schalansky, who was in attendance at the meeting and announced that Mr. Schalansky was recently appointed as the new Regional Director of the National Indian Gaming Commission.

Chairman Shelton announced that Agua Caliente offers no-cost training for tribes and had recently conducted a seminar that was attended by 30 various tribes that covered such topics as know your money, scams and cheats, audits, camera coverage and surveillance. Chairman Shelton further indicated that the training seminars were open to anyone wishing to attend including Division and Commission staff and the Chairman expressed gratitude to the Au Agua Caliente Gaming Commission for affording this training to the industry.

ADJOURNMENT:

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Upon motion to adjourn the meeting by 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 meeting adjourned at 11:36 a.m.

Proposed Amendment

Amend Section 4.09,290 to add subdivision (e) to read:

(e) A player in a card game that allows multiple betting spots may take those multiple bets and before placing them individually may consolidate them into one stack of chips and move that stack forward of the betting spots.



STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, GOVERNOR

GAMBLING CONTROL COMMISSION

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DEAN SHELTON, CHAIR
JOHN CRUZ
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ED C. WILLIAMS

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COMMISSION MEETING SCHEDULE
January 2006 – June 2006

Thursday, January 5, 2006
Thursday, January 26, 2006
Thursday, February 9, 2006
Thursday, February 23, 2006
Thursday, March 9, 2006
Thursday, March 23, 2006
Thursday, April 6, 2006
Thursday, April 20, 2006
Thursday, May 4, 2006
Thursday, May 18, 2006
Thursday, June 8, 2006
Thursday, June 22, 2006

Commission meeting dates are subject to change at anytime. A current list of meeting dates can be found on the Commission's website at www.cqcc.ca.gov.