

California Gambling Control Commission  
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**MINUTES OF JANUARY 25, 2007  
COMMISSION MEETING**

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**OPEN SESSION**

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:32 p.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Shelton and Commissioners Cruz and Vuksich present.

3. Approval of Minutes of December 7, 2006 Commission Meeting.

Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission approved the Commission meeting minutes for December 7, 2006.

4. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):

A. Club Caribe: S & S Gaming, Inc.

Deputy Director Ciau indicated that staff recommends that the Commission approve the application for renewal of the state gambling license for Club Caribe, Item 4.A., for the period of February 1 2007 through January 8, 2008, with Steven Mehr, President, CFO/Secretary, and Scott and Donald Mehr, Officers, and Ronald Conley, Shen Pen Hsueh, Craig Kaufman, Lance Matsui and Edward Noel as key employees. Staff further recommends that the following condition be placed on the gambling license:

*The license is conditioned upon the local gambling ordinance coming into compliance with the Gambling Control Act (Business and Professions Code section 19860(a)(4)).*

Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

B. Diamond Jim's Casino: Wizard Gaming, Inc.

Deputy Director Ciau indicated that staff recommends that the Commission extend the renewal license for two months from February 1 to March 31, 2007 for Diamond Jim's Casino, Item 4.B. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

C. Hemphill's Card Room: Billy Long, Sole Proprietor

Deputy Director Ciau indicated that staff recommends that the Commission approve the application for renewal of the state gambling license for Hemphill's Card Room, Item 4.D., for the period of February 1 through April 30, 2007, to allow the gambling establishment to submit a copy of the business license and security and safety plan. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

D. Hustler Casino: El Dorado Enterprises, Inc.

Deputy Director Ciau indicated that staff recommends that the Commission approve the renewal license for Hustler Casino, Item 4.D., Larry Flynt, President/Treasurer/Secretary, for the period of February 1 through January 31, 2008, with the key employees listed in Attachment A to these minutes. Staff further recommends that the condition be removed, which required Majestic Properties to submit an application for a state gambling license and that the following condition be applied to the license:

*The license is conditioned upon the local gambling ordinance coming into compliance with the Gambling Control Act (Business and Professions Code section 19860(a)(4)).*

Michael Franchetti, attorney for Hustler Casino, responded to Commissioner Cruz's concerns regarding employee badges.

Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

#### E. Oaks Card Club: A Limited Partnership

Deputy Director Ciaú indicated that staff recommends that the Commission approve the renewal license for Oaks Card Club, Item 4.E., from February 1, 2007 through January 31, 2008, with Michael Fink, General Manager/Financial Interest Holder, John Tibbetts, General Partner/Trustee, Mary Tibbetts, Community Property Interest Holder, and Nora Ernst, Dawn Potter, Joan Sailer, and Jack Tibbetts Trust, Limited Partners, and the key employees listed in Attachment A to these minutes. Staff further recommends that the condition be removed from the license, which required that quarterly reports be submitted to the Commission and Division, involving cheating and/or misconduct and/or violations of the Gambling Control Act.

John Tibbits, Oaks Card Club, responded to Commissioner Cruz's questions regarding the estate.

Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

#### 5. Request for Additional Permanent Authorized Tables (Pursuant to California Code of Regulations, Title 4, section 12359):

Casino Club: Casino Poker Club, Inc.

Deputy Director Ciaú indicated that staff recommends that the Commission approve the request for two additional tables for a total of seven tables authorized on the license for Casino Club, Item 5. Upon motion of Chairman Shelton seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

#### 6. Applications for Key Employee License (Pursuant to Business and Professions Code section 19854):

A. Angie's Poker Club: Falbe, Joseph

B. Bay 101: Bowling, Jr., Tom

Deputy Director Ciaú indicated that staff recommends that the Commission approve the applications for a key employee license for Joseph Falbe, Item 6.A., and Tom Bowling, Jr., Item 6.B. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

7. Applications for Work Permit (Pursuant to Business and Professions Code section 19912):
- A. Club San Rafael: Harris, Bruce
  - B. Empire Sportsmen Association: Muong, Chuck; Ou, Uoth
  - C. Gold Rush Gaming Parlor: Minasian, Anthony
  - D. Lake Bowl Cardroom: Manley, Robert; Moss, Brennan
  - E. Merced Poker Room: Bisson, Laura; Conway, Jennifer; Mitts, Paul; Pullin, Kimber
  - F. Napa Valley Casino: Hinton, James; Spong, Jo
  - G. The 101 Casino: Cai, Xiaoling; Chhum, Chamn; Faison, Eric; Sun, Simon; Tran, Mark

Deputy Director Ciau indicated that staff recommends that the Commission approve the applications for a work permit for the individuals listed in agenda items 7.A. through 7.G. Upon motion of Commissioner Vuksich, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications for Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Blue Lake Rancheria: Merlin, Lorenzo
  - B. Morongo Band of Mission Indians: Esquer, Jacqueline

Deputy director Ciau indicated that staff recommends that the Commission approve the Tribal-State Compact Key Employee Finding of Suitability for Lorenzo Merlin, Item 8.A., and Jacqueline, Item 8.B. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

9. Applications for Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):
- Summit Amusement & Distribution, LTD:
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| Carson, Timothy | Rickett, William |
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Deputy Director Ciau indicated that staff recommends that the Commission approve the Tribal-State Compact Gaming Resource Supplier Finding of Suitability for Summit Amusement & Distribution, LTD. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

10. Request for Approval of Transactions—Hustler Casino:

- A. Request for Approval of Stock Pledge Agreement (Pursuant to Business and Professions Code section 19904).
- B. Request for Approval of Loan (Pursuant to Business and Professions Code section 19824(c))

Senior Legal Counsel Bolz indicated that staff recommends that the Commission approve the stock pledge agreements and loan transactions for Hustler Casino with the four conditions listed in Attachment B of these minutes.

Michael Franchetti, attorney for Hustler Casino, responded to Commissioner Cruz's inquiry by indicating that Hustler Casino agreed to the conditions proposed by staff.

Robert Tabor, attorney for the lender, responded to Commissioner Cruz's inquiry by indicating that the lender agreed to the conditions proposed by staff.

Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

11. Proposed 2007 Rulemaking Calendar (Regulation Changes)

Senior Legal Counsel Bolz announced that staff was preparing a rulemaking calendar for 2007 that would identify topics for regulation that are planned for formal Administrative Procedure Act notice and comment procedures for 2007. Mr. Bolz indicated that input from interested parties was currently being solicited by staff for inclusion of regulation topics in the 2007 Rulemaking Calendar.

**CONSENT CALENDAR ITEMS:**

12. Applications for Renewal Work Permit (Authority Pursuant to Business and Professions Code section 19870):

- A. The 101 Casino: Prince, Patricia

13. Applications for Tribal-State Compact Key Employee Finding of Suitability Initials (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

- A. Agua Caliente Band of Cahuilla Indians – Agua Caliente Casino:  
Cheney, Brian
- B. Augustine Band of Cahuilla Mission Indians of the Augustine Reservation – Augustine Casino:  
Cortez, Lorena
- C. Bear River Band of the Rohnerville Rancheria – Bear River Casino:  
Robinson, Gary
- D. Big Valley Band of Pomo Indians of the Big Valley Rancheria – Konocti Vista Resort and Casino:  
Garcia, Jorge

- E. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino:
  - Coder, Michael Garcia, Jessie
  - Padilla, Jesus
- F. Campo Band of Diegueno Mission Indians of the Campo Indian Reservation – Golden Acorn Casino and Travel Center:
  - Wilkins, Michele
- G. Dry Creek Rancheria of Pomo Indians of California – River Rock Casino:
  - Vicki Rainwater
- H. Hopland Band of Pomo Indians of the Hopland Rancheria – Sho-Ka-Wah Casino:
  - Lopez, Vladimir
- I. Morongo Band of Cahuilla Mission Indians of the Morongo Reservation – Casino Morongo:
  - Asher, Jason Stafford, Tawny
- J. Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony – Paiute Palace Casino:
  - Willis, Lynette
- K. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino:
  - Klempan, Nickolas
- L. Picayune Rancheria of Chukchansi Indians of California – Chukchansi Gold Resort and Casino:
  - Atkins, Randy Garcia, Salvador
- M. Quechan Tribe of the Fort Yuma Indian Reservation – Paradise Casino:
  - Waco, Jr. , Rudolph
- N. Resighini Rancheria – Gold Bear Casino:
  - Milligan, Wesley
- O. Rincon Band of Luiseno Mission Indians of the Rincon Reservation – Harrah's Rincon Casino and Resort:
  - Williams, Tamara
- P. Rumsey Indian Rancheria of Wintun Indians of California – Cache Creek Casino Resort:
  - Negrillo, Nida
- Q. San Pasqual Band of Diegueno Mission Indians of California – Valley View Casino:
  - Fink, Farrah
- R. Santa Rosa Indian Community of the Santa Rosa Rancheria – Tachi Palace Hotel & Casino:
  - Cruz, Kathy
- S. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino Resort:
  - Eckelhoff, Adam
- T. Sherwood Valley Rancheria of Pomo Indians of California – Black Bart Casino:
  - Rockey Sr., Daniel
- U. Soboba Band of Luiseno Indians- Soboba Casino
  - Nguyen, David

- V. Sycuan Band of Diegueno Mission Indians of California – Sycuan Casino and Resort:
  - McCallister, Silbern
  - McFarland, Raymond
- W. Table Mountain Rancheria of California – Table Mountain Casino:
  - Yang, Roger
- X. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California – Black Oak Casino:
  - Davis, Deborah
  - Roberson, Yvonda
- Y. Twenty-Nine Palms Band of Mission Indians of California – Spotlight 29 Casino:
  - Garcia, Andres
  - Rodriguez, Eduardo
  - Trujillo, Anthony
- Z. United Auburn Indian Community of the Auburn Rancheria of California – Thunder Valley Casino:
  - Ritter, Lester
  - Saechao, Oukuen

14. Applications for Tribal-State Compact Key Employee Finding of Suitability Renewals: (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Agua Caliente Band of Cahuilla Indians - Agua Caliente Spa and Hotel:
    - Ambatali, Jeliza
    - Eskelin, Jon
    - Grant, Jared
  - B. Coyote Valley Band of Pomo Indian – Shodakai Casino:
    - Jack Jr. Eugene
  - C. Dry Creek Rancheria Band of Pomo Indians - River Rock Casino:
    - Carnahan, William
    - Heard, Jamon
    - Lourence, Sherry
  - D. Morongo Band of Cahuilla Indians of the Morongo Reservations - Casino Morongo:
    - Martin, Jeffery
  - E. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation - Pechanga Resort and Casino:
    - Buchwald, Lukasz
    - Didion, Donald
    - Eichelberger, Donald
    - Hale, Anthony
    - Hanna, Magdy
    - Knight III, Avery
    - Paoletto, Jean
    - Pina, Cynthia
    - Ten Brinke, Gerard
    - Vata, Petrit
    - Wilson, Ward
    - Wootan, Robert
    - Yang, Chia
  - F. Rumsey Indian Rancheria of Wintun Indians - Cache Creek Indian Bingo and Casino:
    - Comoletti, Dean
    - Eziz, Mian
    - Lee, Lilian
    - Reach, Savoeun
  - G. San Pasqual Band of Diegueno Mission Indians - Valley View Casino:
    - Clifton, Jeffrey
    - Goodson, Michael
  - H. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation - Chumash Casino:
    - Ray, Laura
  - I. Sycuan Band of Diegueno Mission Indians – Sycuan Casino:

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| Centman, David   | Preite, James     |
| J. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria - Black Oak Casino:   |                   |
| Baker, Jason   | Batt, Aaron       |
| Lewis, William   | Ragsdale, Jamie   |
| K. United Auburn Indian Community of the Auburn Rancheria - Thunder Valley Casino: |                   |
| Byrd, Cheri  | Madden, Sandy     |
| Penner, Louis  | Phui, Jimmy       |
| Qiao, Yong   | Valdemoro, Cedric |

Deputy Director Ciau indicated that staff recommends that the Commission approve the Consent Calendar agenda items 12 through 14. Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the Commission adopted the staff recommendation.

#### **PUBLIC COMMENT**

There were no comments from the public during this portion of the meeting.

#### **CLOSED SESSION**

The Commission did not adjourn to Closed Session.

#### **ADOURNMENT**

Upon motion to adjourn the meeting by Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a roll call vote, with Chairman Shelton and Commissioners Cruz and Vuksich voting yes, the meeting adjourned at 2:09 p.m.

## Agenda Item 4.D – Hustler Casino

### Key Employees

- Thomas Candy
- Soosemea Masina
- Joan Curato
- Patee McGuire
- Tracy Edwards
- Lucrecia Ramirez
- Dewayne Gatewood
- William Swint Jr.
- Eleanor Gonzalez
- Jacob Weiss
- David Hiraga
- Jeanne Wong

## Agenda Item 4.E – Oaks Card Club

### Key Employees:

- Martin Andreatta
- Peleg Broner
- Wayne Hirao
- William Hudson
- John La Rosa
- Hoa Nguyen
- Glenn Nitta
- Keith Slaton
- Robert Stone
- Warren Tai
- Steven Tang
- Larry Thomas
- Allan Wasserman

Proposed Hustler conditions

(Pursuant to Bus. & Prof. Code sec. 19824(b))

1. Hustler Casino shall provide to the California Gambling Control Commission within 30 days of closing a complete copy of the signed loan documents.
2. Any assignment of the note by the lender (DAE Funding II LLC) must be pre-approved by the Commission pursuant to Business and Professions Code section 19904.
3. No substantive amendment to the loan documents may take effect unless first approved by the California Gambling Control Commission.
4. Notwithstanding references in the loan documents to New York law and New York courts, all parties to the loan agreement acknowledge and agree that the California Gambling Control Commission retains full authority to have issues within the jurisdiction of the Commission decided in California courts in accordance with California law.