

California Gambling Control Commission
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**MINUTES OF JULY 26, 2007
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Shelton called the meeting to order at 1:30 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, Commissioners Cruz, Shimazu, and Vuksich present.

3. Approval of Commission Meeting Minutes:
 - A. June 28, 2007

Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission adopted the Meeting Minutes. Chairman Shelton abstained because he was not present at the June 28 meeting.

4. Request for Approval of Loan (Pursuant to Business and Professions Code sections 19901 and 19904): Club One Casino

Staff Counsel Adeniyi Ayoade indicated that staff recommends that the Commission approve the request for approval of the following five loans: the first, "principal acquisition" loan from D.B Zwirn Special Opportunity Fund, LP, for \$22,500,000; two (2) \$2,500,000 Notes for a total of \$5,000,000. [The Notes are each for \$2.5m, in favor of the previous owners (sellers), George Sarantos and Elaine Long, respectively], and two "auxiliary" Notes taken by Haig Kelegian, in favor of Dana Messina and Kyle Kirkland, for a sum of \$30,000 EACH, subject to these conditions:

1. Club One Acquisition Corp. shall provide to the Commission within 30 days of closing, one (1) complete copy of the executed loan documents for EACH of the Loans or Notes.
2. The revised provisions of Article XIII of the \$22,500,000 Financing Agreement are agreed to, incorporated, and executed by all parties to the loan.

NOTE: Condition 2 refers to the revised provisions of Article XIII (Special Gaming Provisions) of the \$22,500,000 Financing Agreement, which are attached as Appendix A to these minutes.

3. The borrower, lender and each guarantor jointly and severally acknowledge, understand and agree that, as an unlicensed entity, the lender may not exercise significant influence or control over the gambling operation. For purposes of this condition, 'significant influence or control' includes, but is not limited to, attempting, either directly or indirectly, to exert control over or influence the management of the gaming operation.
4. Neither Elaine Long nor Charles Long, nor any person, firm or entity with which either is directly or indirectly affiliated, and whether jointly or severally or in combination with any third party, may exercise any default remedy or secured creditor rights in connection with that certain approved \$2,500,000 Note which would result in their full or partial possession, ownership or control of the gaming establishment for any period of time whatsoever.
5. Conditions 3 is hereby incorporated by reference into and made a part of EACH loan agreement, while conditions 4 is incorporated by reference into and made a part of \$2,500,000 loan agreement relating to Elaine Long.

Staff Counsel Ayaode stated he had reviewed the conditions with both Robert Tabor, attorney for borrower Club One Acquisition Corp., and Kevin Lewis, attorney for Elaine Long. Both Mr. Tabor and Mr. Lewis agreed to the conditions.

Questions were posed to the attorney for the borrower, Robert Tabor. One of the questions involved a financial matter, so Mr. Tabor introduced Mr. Thomas Minter, representative of D.B. Zwirn & Co., the parent company of the proposed lender. Mr. Minter announced that the lender-entity would be Bernard National Loan Investors, Ltd. ("Bernard CDO" for short)¹, rather than the Zwirn affiliate that had been reviewed by Commissioner staff, the D.B Zwirn Special Opportunity Fund, LP.

Commissioner Cruz questioned the appropriateness of changing the lender at the last minute. Mr. Tabor stated that he had not been advised of the change in lender. Staff

¹ "CDO" means "collateralized debt obligation."

Counsel Ayaode stated that the Legal Division recommendation that the loan be approved no longer applied because the lender had been changed. Mr. Minter stated he had assumed that his firm's lawyers had advised the Commission of the planned change when the decision was made three weeks earlier, but that this apparently had not been done.

After conferring with Mr. Minter, Mr. Tabor stated that D.B. Zwirn & Co. had changed its mind and was dropping the plan to change lender entities. Senior Legal Counsel Herb Bolz asked Mr. Tabor if he was willing to make a commitment that any assignment of the loan in whole or in part would have to be preapproved by the Commission. Mr. Tabor responded that the agreed conditions already required the lender to do that. Commissioner Cruz similarly responded that the agreed conditions already required that.

Mr. Tabor also assured the Commission that if any changes that were substantially related to the gaming regulatory provisions, were to be made to the loan documents, the Commission would be asked to pre-approve them. Upon motion of Commissioner Cruz, seconded by Chairman Shelton, and carried in a vote by roll call with Chairman Shelton, Commissioners Cruz, Shimazu voting yes, and Commissioner Vuksich voting no, the Commission adopted the staff recommendation with the five conditions noted above.

5. Application for Approval for State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19851):

Commerce Casino: California Commerce Club, Inc., A California Corporation:
Maureen Orbus, Trust Beneficiary/Prospective Shareholder.

Deputy Director Ciau indicated that staff recommends that the Commission approve Maureen Orbus to be endorsed as a beneficiary of the Survivors Trust and as a prospective shareholder for the remaining licensure period of August 1, 2007 through December 31, 2007.

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

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

A. Artichoke Joe's Casino: Artichoke Joe's Inc.; A California Corporation

Deputy Director Ciau indicated that staff recommends that the Commission approve the renewal application for the period of August 1, 2007 through July 31, 2008 with the shareholders and key employees listed in staff reports, and also as Attachment B.

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

B. Poker Flats Casino: Terry Vargas, Sole Proprietor

Deputy Director Ciau, indicated that the staff recommends that the Commission approve the renewal application for the period of August 1, 2007 through July 31, 2008 with the following conditions:

- A key employee application must be submitted within 60 days following approval of the renewal state gambling license.
- Financial statements must be submitted within 30 days following approval of the renewal state gambling license.
- This license is conditioned upon the local gambling ordinance coming into compliance with the Gambling Control Act (Business and Professions Code section 19860(a)(4)) within 12 months of issuance/renewal.

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

C. The Normandie Club: A California General Partnership

Deputy Director Ciau, indicated that the staff recommends that the Commission extend the current license from August 1, 2007 through September 30, 2007 to allow adequate time to review documentation relating to the renewal application, the transfer of partnership interest and the withdrawal of a Trust application.

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

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

A: Lake Bowl Cardroom: Matthew Fries

B: Phoenix Casino and Lounge:

- i. Timothy Hamrick ii. Dan Thich

Deputy Director Ciau indicated that staff recommends that the Commission approve the applications for key employee licenses for items 7A and 7B listed on the agenda. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in a vote by roll call with Chairman Shelton, Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

8. Applications for Work Permit (Pursuant to Business and Professions Code section 19912):

River Cardroom: Leah Oba

Deputy Director Ciau stated that staff recommends the Commission approve the application for work permit.

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

9. Applications for Work Permit – Request for Withdrawal Without Prejudice (Pursuant to Business and Professions Code section 19869):

The 101 Casino: James Phares

Deputy Director Ciau indicated that staff recommends that the Commission approve the request for withdrawal without prejudice.

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

10. Applications for Request to Convert Gambling Business Registration to a License – Request to Withdraw Without Prejudice (Pursuant to California Code of Regulations, Title 4, section 12234):

A. Gaming Fund Group, Inc.: Chatherine Pham

B. Premier Player Providers, Inc.: Sean Collette

Deputy Director Ciau recommended to the Commission to approve the requests to withdraw without prejudice for item 10A through 10B listed on the agenda.

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

11. Applications to Convert Third Party Proposition Player Services Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Pacific Palace, Inc.:

i. David Chan

ii. Li Chen

iii. Michel Mounier

iv. Kenny Tam

Deputy Director Ciau recommended that the Commission approve the request to convert the registration to a license. Items 11 ii – 11 iv. Upon motion of Commissioner Cruz, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton, Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation for items 11 ii – 11 iv.

Chairman Shelton stated that item 11i (David Chan) had not been approved, directing staff to determine if Mr. Chan needed to be noticed and brought back before the Commission.

- **July 26, 2007 Commission Meeting**
Agenda Item #11 Conversion to Licensure
i. David Chen

Commissioner Cruz:

I am uncomfortable licensing David Chen as a supervisor. He (Mr. Chen) was the subject of a couple of lawsuits where he defaulted on simply on the basis that he did not know he was legally obligated to pay money under documents that he had signed.

We are talking about a guy who is going to be a supervisor; who is expected to know rules and understand his role. And some very basic business transactions either fail to know, which my intuition tells me is just a convenient excuse for finding himself in the position he was in, or he may simply be incompetent. And I don't know if he is the sort of person that we can trust to enforce the rules in such a way that the public is not at risk.

In addition, being a former officer of a company, that according to the report had various tax liens, I question the conclusion that he has no liability. It's been my experience, in my practice, that any officer or director of an entity, which owes state or federal government money, is going to be personally liable, at least in part. And so its not clear to me whether our conclusion is based on the fact that the government agency, in this case the IRS or State Board of Equalization, basically decided that he wasn't worth pursuing or somehow just slipped through the cracks. But I certainly question the assertion that he has no liability for tax liens.

So I am just a little uncomfortable about this particular one and I just wanted to get that on record.

Items 11 ii-iv were approved.

Terri:

So for staff clarification, I was going to ask, are we denying Mr. Chen his conversion to licensure?

Chairman Shelton:

I thought that's what we just did.

Terri:

Okay, so we would have to provide him with a notice and everything and then this may come back again. Okay, thank you.

12. Applications for Request to Convert Third Party Proposition Player Services Registration to a License – Request for Withdrawal Without Prejudice (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

- A. California Gaming Consultants: Jeb Everhart
- B. Certified Players, Inc.: Ravanna Chhum; Lisa Yue
- C. Gaming Fund Group, Inc.:
 - i. Sau Chan
 - ii. Phong Duong
 - iii. Dennis Mai
 - iv. Touch Ny
 - v. Catherine Pham
- D. Gaming Management, LLC: Jake Raff
- E. Lucky Star Gaming, Inc.: Moui Tran
- F. Pacific Palace, Inc.: Ho Liu
- G. Premier Player Providers, Inc.: Sean Collette

Deputy Director Ciau recommended that the Commission approve the items 12A through 12G listed on the agenda.

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

13. Applications for Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

- A. Inspire Technology, LLC: Troy DeFrees-Parrott
- B. Shuffle Master, Inc., A Publicly-Traded Corporation:
 - i. Richard Baldwin
 - ii. Louis J. Castle II
 - iii. Paul Meyer
 - iv. Garry Saunders
 - v. Mark Yoseloff

Deputy Director Ciau recommended that the Commission approve items 13A and 13B as listed on the agenda.

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

14. Application for Tribal-State Compact Gaming Resource Supplier – Financial Sources Finding of Suitability – Request for Withdrawal Without Prejudice (Pursuant to Business and Professions Code section 19869):

- | | | | |
|---|-----------------------------------|--------------------------------------|--|
| A. Abello, LLC: | | | |
| i. Abello, LLC | ii. Kevin Flynn | iii. John Presnell | |
| B. Alfa Street, USA: | | | |
| i. Alfa Street, USA | ii. Dan Charron | iii. Iztok Pockaj | |
| C. Anchor Coin: | | | |
| i. Anchor Coin | ii. Thomas Matthews | iii. Joseph Murphy | |
| iv. David Johnson | | | |
| D. Casino Data Systems: | | | |
| i. Casino Data Systems | ii. William Baker | iii. Frank Bush | |
| iv. Burgess Harmer | v. Michael Isaacs | vi. Cornelius Klerk | |
| E. Cyberdyne Systems, Inc.: | | | |
| i. Cyberdyne Systems, Inc | ii. Philip Hole | iii. Philip Lulek | |
| F. Dimension Data: | | | |
| i. Dimension Data | ii. Robert Cagnazzi | iii. Marc Duvoisin | |
| iv. John Wilson | | | |
| G. Dry Creek Casino, LLC: | | | |
| i. Dry Creek Casino, LLC | ii. Donald Brennan | iii. Paul Burkett | |
| iv. Christopher Domijan | v. William Jayroe | vi. Jenkins Entertainment Group, LLC | |
| vii. Jon Jenkins | viii. Joseph Juliano | ix. Freita Keluche | |
| x. Gene Keluche | xi. Nevada Gold and Casinos, Inc. | xii. Francis Ricci | |
| xiii. Wayne White | xiv. H. Thomas Winn | xv. Wintun Lodge, LLC | |
| H. Epic Gaming, LLC: | | | |
| i. Epic Gaming, LLC | ii. Michael Coronado | iii. R. Shawn Ellis | |
| iv. John Groom | v. James Hammer | vi. Rick Richards | |
| vii. Sturm Gaming, LLC | viii. Roland Sturm | ix. Terri Sturm | |
| x. Gregory Yochum | | | |
| I. Gaming Partners International, SAS: | | | |
| i. Gaming Partners International, SAS | ii. Remi Nicolas | | |
| J. Interblock USA, LC: | | | |
| i. Interblock USA, LC | ii. Electroncek d.d. | iii. Joze Pececnik | |
| iv. Tomaz Zvipelj | | | |
| K. Inter Casino Products California, LLC: | | | |
| i. Inter Casino Products California, LLC | ii. Joze Pececnik | | |
| L. Luna Gaming-San Diego, LLC: | | | |
| i. Luna Gaming-San Diego, LLC | ii. Thomas Celani | | |
| M. Siren Gaming, LLC: | | | |
| i. Siren Gaming, LLC | ii. James Barnett, Jr. | iii. Frank Giannosa | |
| iv. John Lipkowitz | v. Anthony Marnell, II | vi. . Anthony Marnell, III | |
| vii. Ronald Radcliffe | | | |
| N. Technology Exclusive, Inc.: | | | |
| i. Technology Exclusive, Inc. | ii. John Lulek | iii. Philip Lulek | |

Deputy Director Ciau indicated that staff recommends that the Commission approve the items 14A through 14N as listed in agenda.

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

15. Applications for Tribal-State Compact Key Employee Finding of Suitability – Request For Withdrawal with Prejudice (Pursuant to Business and Professions Code section 19869):

A. Agua Caliente Band of Cahuilla Indians – Agua Caliente Spa and Hotel: Jonathan Krom

Deputy Director Ciau indicated that staff recommends the Commission approve the request for withdrawal with prejudice for 15A as listed on agenda.

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

B. Coyote Valley Band of Pomo Indians – Coyote Valley Shodakai Casino:
Michael Burke

Deputy Director Ciau indicated this item would be re-scheduled for a future Commission meeting.

CONSENT CALENDAR

Deputy Director Ciau indicated that staff recommends that the Commission approve the Consent Calendar agenda items 16 through 18, with exception to Item 18M – Sean Monfort and Angela Tedesco, which will be addressed on the August 23, 2007 meeting. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation.

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

Oasis Card Room: Inez Arts

17. 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:
Michael Cook Robert Redding Terrence Tracy
- B. Augustine Band of Mission Indians – Augustine Casino: Brett Cianfrano
- C. Blue Lake Rancheria – Blue Lake Casino:
Jessica LeClere Cacy Parker
- D. Cahto Tribe of the Laytonville Rancheria – Red Fox Casino: Corey James, Sr.
- E. Dry Creek Rancheria Band of Pomo Indians – River Rock Casino:
Richard Fiske Starlin Oldaker III
- F. La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation – La Posta Casino:
Margot Laguna Gianpiero Rondinelli
- G. Middletown Rancheria Band of Pomo Indians – Twin Pine Casino: Shaun Bisiaux
- H. Morongo Band of Cahuilla Indians of the Morongo Reservation – Morongo Casino Resort & Spa:
Eddie Ballut Steven Field Laura Gergely
Patrick Hixon
- I. Pala Band of Mission Indians – Pala Casino:
Kevin Chan Delores Kennedy Ryan Yee

- J. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation – Pechanga Resort and Casino:
 Bruce Bobal Paul Goodsaid Bill Tomlin
 Edgar Vicedo
- K. Picayune Rancheria of the Chukchansi Indians – Chukchansi Gold Resort and Casino:
 Luis Gutierrez Brian Penson Joel Saunders, Jr.
 Ramda Thongprasith Susan Wood
- L. San Manuel Band of Serrano Mission Indians of the San Manuel Reservation – San Manuel Indian Bingo and Casino:
 Linda Bawardi Anita Curry Virginia Garcia
 Katherine Le Daniel Nettles Erick Diaz Vargas
 Robert Velasco
- M. San Pasqual Band of Diegueno Mission Indians – Valley View Casino: Kimberly Du
- N. Santa Rosa Indian Community of the Santa Rosa Rancheria – Tachi Palace Hotel and Casino:
 James Dickerson David Garcia Bouphasavanh Kiaosouvath
 Daniel Macias Chau Nguyen Robert Peters
- O. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino:
 Ted Funkhouser Jennie Reed Chamberlain Villaruz
- P. Santa Ysabel Band of Diegueno Indians – Santa Ysabel Casino
 Jose Ceja Allison Herman
- Q. Susanville Indian Rancheria – Diamond Mountain Casino: Tammy Gray
- R. Sycuan Band of Diegueno Mission Indians – Sycuan Casino: Dung Nguyen
- S. Table Mountain Rancheria – Table Mountain Casino:
 Esther Cantu Ronald Moore, Jr. Joseph Ross
- T. Twenty-Nine Palms Band of Mission Indians – Spotlight 29 Casino:
 Marco Machuca Gonzales Gilbert Juarez, Jr.
- U. United Auburn Indian Community of the Auburn Rancheria – Thunder Valley Casino:
 Patrick Crawley Vianey Guadarrama, Jr. Mario Nelson
 Richard Tompkins Hoa Vu
- V. Viejas Band of Kumeyaay Indians - Viejas Casino and Turf Club:
 Angel Mendez III Joshua Murrieta

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

- A. Alturas Rancheria – Desert Rose Casino: Patricia Enz
- B. Dry Creek Rancheria Band of Pomo Indians – River Rock Casino:
 Anna Pagel Jonathan Turner
- C. Pala Band of Mission Indians – Pala Casino: Helen Banister-Clow
- D. Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation – Casino Pauma:
 Clifford Bentley Lisa Cartwright Salina Dong
 Gina McClintic Ciro Saenz Luanne Williams
- E. Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation Pechanga Resort and Casino:
 Susan Boswell Randy Boutell Mary Fernandez
 Phengsy Lalap Craig Nelson Steve Pham
 Anthony Sansone Cassandra Singleton Charaphitoun Souratha
 Richard Williams
- F. Redding Rancheria – Win-River Casino: Victoria Tarnowski
- G. Rincon Band of Luiseno Indians – Harrah's Rincon:

- | | | | |
|----|--|---------------------|-------------------------|
| | Paul Ashley | Arthur Ebitner | Augustine Fortune |
| | Peggy Keers | Bonnie O'Day | Colleen Terwilliger |
| | Jeremy Vigil | Juan Villalobos | |
| H. | San Manuel Band of Serrano Mission Indians of the San Manuel Reservation - San Manuel Indian Bingo and Casino: | | |
| | Carol Abernathie | Jeannine Francis | Manuel Hernandez |
| | Justyn Lumel | Christina Martin | Charles McKinley |
| | Kenny Dinh Nguyen | Judith O'Donnell | Natthawas Prutthipatham |
| | Jodie Sanders | Arthur Santoya, Jr. | Ryan Shearer |
| I. | San Pasqual Band of Diegueno Mission Indians – Valley View Casino: | | |
| | Tamara McGuire | | |
| J. | Santa Rosa Indian Community of the Santa Rosa Rancheria – Tachi Palace Hotel and Casino: | | |
| | Kathryn Maltes | | |
| K. | Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino: | | |
| | Ian Adams | Jeremy Bailey | Raul Gomez |
| | Edward Jara | Janet Johnson | Jesse Quinonez |
| | Jose Reyes, III | Aaron Robles | Dominic Sanders |
| L. | Sycuan Band of Diegueno Mission Indians – Sycuan Casino: | | |
| | Annette Fermil | Matthew Harris | |
| M. | United Auburn Indian Community of the Auburn Rancheria – Thunder Valley Casino: | | |
| | Tony Chopelas | Robert Crowe | Kelley Deadman |
| | John Elledge | Timothe Le | Daniel Martz |
| | Felipe Masangya | Sean Monfort | Mark Tabios |
| | Angela Tedesco | Andy Velez | |

19. Revenue Sharing Trust Fund Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending June 30, 2007.

Deputy Director Ciau indicated that this item has been re-scheduled for the August 9, 2007 Meeting.

PUBLIC COMMENT

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

CLOSED SESSION

At 2:19 P.M. Chairman Shelton announced that the Commission would adjourn to closed session.

The meeting then reconvened at 3:07 P.M. at which point Chairman Shelton announced that both items had been unanimously approved

1. Deliberation on Decisions Regarding Dicipinary Matters (Government Code section 11126 (c))(3));

- A. Stipulated Settlement and Disciplinary Order: Juan Guzman, Don Juan Club and Casino.
- B. Stipulated Settlement and Disciplinary Order: Point-Walker, Inc., Kermit Schayltz and Leo Chu.

ADOURNMENT

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Shimazu and carried in a roll call vote, with Commissioners Shimazu, and Vuksich voting yes, the meeting adjourned at 3:09 p.m.

Attachment /
Appendix

A

ARTICLE XIII

SPECIAL GAMING PROVISIONS

Section 13.01 Enforcement. Notwithstanding anything contained in ARTICLE VIII and Section 9.01 of this Agreement or in any other Loan Document to the contrary, the Agent shall not exercise any secured creditor rights or remedies with respect to any Gaming Collateral unless and until the Agent fully complies with the California Gambling Control Act (California Business and Professions Code, Division 8, Chapter 5), including, without limitation, California Business and Professions Code Section 19900. Nothing contained herein shall, however, prohibit the Agent from (a) blocking the distribution to any Loan Party of cash or Permitted Investments in any Loan Party's deposit or securities accounts subject to a control agreement in favor of the Agent (including, without limitation, the Collateral Accounts) and retaining such cash or Permitted Investments in such accounts or otherwise transferring such cash or Permitted Investments from such accounts to the Agent's Account for application to the Obligations in accordance with the terms of this Agreement and the other Loan Documents, (b) seeking to place Gaming Collateral in the possession, custody, and control of a trustee, receiver or other party approved by the Commission, (c) enforcing any Guaranty, (d) sending default notices to the Borrower, any Loan Party or any other Person, (e) blocking the payment of rents, royalty payments, administrative services fees and management fees to any Loan Party or any of its Affiliates, and (f) taking any action permitted by the Loan Documents against any Loan Party or any Collateral that is not Gaming Collateral.

Section 13.02 Commission Approval. The effectiveness of this Agreement shall be conditioned upon the approval of this Agreement by the Commission. The parties acknowledge that the approval of this Agreement by the Commission does not constitute responsibility or liability for the transaction on the part of the Commission.

Section 13.03 No Participation in Casino Revenues. None of the provisions of this Agreement or any other Loan Document entitle the Agent or any Lender to "participate" as an equityholder in the Casino Revenues of Club One in any respect.

Section 13.04 No Security Interest in Gaming License. Notwithstanding anything herein to the contrary, the term Collateral shall not include, and Club One is not pledging, nor granting a security interest hereunder in, any of Club One's right, title or interest in any gaming license or any of its right, title or interest thereunder to the extent, but only to the extent, that such a grant would, under the express terms of such gaming license result in a breach of the terms of, or constitute a default under, such gaming license (other than to the extent that any such term (a) has been waived or (b) would be rendered ineffective pursuant to Sections 9-406, 9-408, 9-409 of the Code or other applicable provisions of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, that (i) immediately upon the ineffectiveness, lapse, termination or waiver of any such provision, the Collateral shall include, and Club One shall be deemed to have granted a security interest in, all such right, title and interest as if such provision had never been in effect and (ii) the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect the Agent's unconditional continuing security interest in and liens upon any

rights or interests of Club One in or to the proceeds of, or any monies due or to become due under, any such gaming license.

Section 13.05 Notice of Assignment. Club One shall inform the Commission prior to (a) the appointment of a successor Agent pursuant to Section 10.07 and (b) the assignment by any Lender of any of its rights and obligations under this Agreement pursuant to Section 2.07 or Section 12.07(b). Any such appointment or assignment shall be subject to any required approval of the Commission (if any) pursuant to California Business and Professions Code Section 19904.

Section 13.06 Licensing Requirement. Club One and the Agent are aware of the provisions of California Business and Professions Code Section 19853 relating to the circumstances under which the Commission may require individuals to register, apply for a finding of suitability, or apply for a license to operate a card room in the State of California.

Section 13.07 Consent to California Law and Jurisdiction. Notwithstanding the provisions of Section 12.09 and Section 12.10, or other references in this Agreement regarding jurisdiction by New York law or courts, all parties to this Agreement acknowledge and agree that the Commission shall retain full authority to have all issues, disputes or determinations within the jurisdiction of the Commission decided in California courts in accordance with California law.

Section 13.08 Delivery of all Signed Loan Documents to the Commission. As an addition to Section 5.02, Parent shall provide to the Commission within 30 days of closing one complete copy of each Loan Document exchanged between the parties hereto.

Section 13.09 Amendment of Loan Document. As an addition to Section 12.02 of this Agreement, no substantive amendment to any Loan Documents shall, to the extent that it implicates gaming regulatory matters, take effect unless the Commission has first approved the amendment. Notwithstanding the foregoing, all proposed amendments to the loan documents shall be provided to Commission Staff for review.



Attachment /
Appendix
B

AGENDA ITEM 6A

Artichoke Joe's Casino: Artichoke Joe's Inc. Shareholder/Key Employee List

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

A. Artichoke Joe's Casino: Artichoke Joe's, Inc., A California Corporation

Shareholder(s):

Sally Ann Johnson Stock Trust (Sally Johnson – Trustee, 2nd VP, Assistant Secretary/Treasurer & Director)

Cody J. Sammut AJ Stock Trust (Karen Sammut – Trustee)

Dennis Sammut – President, Treasurer, & Director

Helen Sammut Living Trust (Helen Sammut – Trustee, VP, Secretary, & Director)

Karen Sammut

Michael J. Sammut AJ Stock Trust (Karen Sammut – Trustee)

Key Employee(s):

Landon Bachman

Kenneth Brennan

Weyling Fong

Robert Kleiber

Richard Lamboy

Melanie Maraffio

Brian McCandless

Jeff Morena

Kai Ng

David Seward

Douglas Speir

Michael Sullivan

Randolph Torres

James Vonsek

Joe Willson