

**MINUTES OF August 9, 2007
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean 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 Dean Shelton and Commissioners John Cruz, Stephanie Shimazu, and Alexa Vuksich present.

3. Approval of Commission Meeting Minutes:
 - A. July 12, 2007

Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission approved the meeting minutes for July 12, 2007.

4. Tribal-State Gaming Compact Gaming Device License Draw (Compact Section 4.3.2.2)

Compliance Unit Manager Frank Lechner indicated that staff recommends that the Commission approve the recommended allocation of 300 licenses based on the 1999 Tribal-State Compact section 4.3.2.2 (a)(3). The Commission scheduled a meeting on August 8, 2007, and invited all tribes that had applied for licenses. Six out of the 11 applying tribes were represented. There were two objections to the draw, from the Shingle Springs Band of Miwok Indians and Cachil DeHe Band of Wintun Indians of the Colusa Indian Community. Shingle Springs objected orally at the meeting, stating that a letter might follow. Before the meeting, Colusa submitted a protest letter dated August 1, 2009 signed by Kimberly A. Cluff. The Colusa letter is included as Attachment A. Pursuant to Compact section 4.3.2.2(a)(3), none of the applying tribes were eligible to be in Priority 1 or 2. Blue Lake and Mooretown Rancheria were in Priority 3; Redding

Rancheria and Shingle Springs Rancheria were in Priority 4. The remaining 7 tribes would draw from Priority 5.

1. Cabazon Band of Mission Indians
2. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community
3. Paskenta Band of Nomlaki Indians
4. Picayune Rancheria
5. Rincon Band of Mission Indians
6. San Pasqual Band of Mission Indians
7. Tuolumne Band of Me-Wuk Indians

The draw results were as follows: Tribes in Priority 3 and 4, Blue Lake and Mooretown, received 50 and 100 licenses, respectively, as requested; Tribes in Priority 4, Redding and Shingle Springs, each received 75 of the remaining 150 licenses. Each had requested 300 licenses. There were no licenses available for tribes in Priority 5.

Richard Lawson, representing the Shingle Springs Band of Miwok Indians, appeared at the Commission meeting to protest and object to the license draw, reading aloud a letter from Chairman Nicholas H. Fonseca, which is included as Attachment B.

Kimberly Cluff, counsel for Colusa, appeared and objected to the draw, reading aloud the Colusa letter dated August 1, 2007, previously included as Attachment A to these minutes.

In response to a question from Commissioner Cruz, Chief Counsel Cyrus Rickards indicated that the objections raised by Colusa and Shingle Springs have been made in pending lawsuits brought by Colusa. Upon motion of Chairman Shelton, 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.

5. Consideration of Adoption of Precedential Decision (Pursuant to Gov 11425.60 and California Code of Regulations, Title 4 section 12572):

In the matter of Chantou Suon:

Staff Counsel Heather Hoganson recommended adopting as a precedential decision that part of the Proposed Decision in the matter of Chantou Suon (DGC File No. DC # 108056; OAH No. N-2007010839), adopted by the Commission on June 28, 2007, that found that Penal Code section 243, subdivision (e) was not a crime of moral turpitude requiring mandatory denial of an application for licensing, pursuant to Business and Professions Code section 19859, subdivision (d). (Attachment C.)

Upon motion of Commissioner Shimazu, 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.

6. Request for Approval of Sale of Existing Gambling Establishment (Pursuant to Business and Professions Code section 19824(c)):

Merced Poker Room: Her J. Xiong, Sole Proprietor

Staff Counsel Adeniyi Ayoade indicated that staff recommends the Commission approve the sale of Merced Poker Room by Her Jack Xiong to Nang Xiong, on the basis that the purchase-sale agreement complies with the Gambling Control Act.

Commissioner Cruz asked why the buyer gave the seller \$250,000 as an initial payment when such payment was not contemplated in the sale agreement. Jesse Yang, speaking for his aunt Nang Xiong, addressed the question, stating that they did not know much about conducting business transactions and made the payment as a gesture of good faith. Commissioner Vuksich asked if the purchaser was familiar with the escrow process. Jesse Yang replied that they did not know anything about escrow. Commissioner Shimazu then asked what Ms. Xiong did previously to see how she saved up the money. Jesse Yang then stated that they worked for the casino and wanted to buy and operate it themselves. Chairman Shelton then asked Commission staff to work with Division staff and the Xions with the steps of the purchase as part of the licensing process

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.

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

A. Garlic City Club: Ky Phuon, Sole Proprietor

Deputy Director Ciau stated that staff, in accordance with the implementation of the new two-year renewal cycle, recommends the Commission approve the renewal application for a 16-month term for the period from September 1, 2007 through December 31, 2008.

Upon motion of Commissioner Vuksich, 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.

B. La Fuerza: Eusebio Rodriguez, Sole Proprietor

Deputy Director Ciau stated that staff, in accordance with the implementation of the new two-year renewal cycle, recommends the Commission approve the renewal application for a 16-month term for the period from September 1, 2007 through December 31, 2008 and place the following the following condition on the license:

- This license is conditioned upon the local gambling ordinance coming in to 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, Commissioners Cruz, Shimazu, and Vuksich voting yes, the Commission adopted the staff recommendation, with condition.

C. Livermore Saloon & Casino: Sidney Ahn, Sole Proprietor

Deputy Director Ciau stated that staff, in accordance with the implementation of the new two-year renewal cycle, recommends the Commission approve the renewal application for a 16-month term for the period from September 1, 2007 through December 31, 2008.

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.

D. St. Charles Place: James Roos, Sole Proprietor

Deputy Director Ciau indicated that staff, in accordance with the implementation of the new two-year renewal cycle, recommends the Commission approve the renewal application for a 15-month term for the period from September 1, 2007 through November 30, 2008.

Commissioner Vuksich asked how the owner of the property split up the businesses located adjacent to the cardroom, and if each of the businesses pay rent. Deputy Director Ciau answered that the bar area, co-located with the cardroom, pays the rent, and the two adjacent bicycle shops each pay rent based on square footage. 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.

8. Applications for Key Employee License (Pursuant to Business and Professions Code section 19854):
Club Caribe: Jonathon Wood

Deputy Director Ciau indicated that staff recommends that the Commission approve the initial application for Key Employee license.

Upon motion of Chairman 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.

9. Applications for Key Employee License – Request for Withdrawal Without Prejudice (Pursuant to Business and Professions Code section 19869):
Crystal Casino and Hotel: Arsen Ashkarian; Won Park

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

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.

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

BJ Gaming, LLC:

- | | | |
|------------------|------------------|--------------------|
| i. BJ Gaming LLC | ii. Lori Suson | iii. Robert Furman |
| iv. Karyn Hodge | v. Elmira Lukban | vi. Eric Terrero |

Deputy Director Ciau indicated that staff recommends the Commission approve the request to convert the registration to a license, with the following conditions:

- 1) Comply with all applicable laws and regulations,
- 2) Ensure proper reporting on the organization chart,
- 3) Ensure proper registration and licensure of its owners and employees.

Rod Blonien, representing BJ Gaming, addressed Chairman Shelton's question regarding past lapses in registration, stating that the problem had been addressed and will not happen again.

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, with conditions.

11. 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. HCAL Corporation: David Richter | | |
| B. Ixtapa Gaming, LLC: | | |
| Ixtapa Gaming, LLC | Candice Chandler | |
| C. Legal Gaming, Inc. | | |
| Legal Gaming, Inc. | Randy Holmes | Michael Saunders |
| Rolf Carlson | | |
| D. Sodak Gaming, Inc.: | | |
| Sodak Gaming, Inc. | Roland Gentner | Michael Diedrich |
| Knute Knudson | Richard Hill | David Salter |
| Donald Gromer | George Baker | David Johnson |

Deputy Director Ciau recommended that the Commission approve items 11A through 11D as listed on the agenda.

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. Augustine Band of Mission Indians – Augustine Casino:
 - Mary Mestas
 - Erika Warren
- B. Bear River Band of Rohnerville Rancheria – Bear River Casino:
 - Carl Catalano
 - George Claus Jr.
 - Jessica Easley
 - Bruce Merson
 - Sean Molyneaux
 - Craig Morey
 - Susan Strong
 - Paul Wheeler
- C. Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria – Colusa Casino and Bingo: Harjinder Singh
- D. Dry Creek Rancheria Band of Pomo Indians – River Rock Casino:
 - Jared Horstman
 - Soudchay Manibot
- E. Morongo Band of Cahuilla Indians of the Morongo Reservation – Morongo Casino Resort & Spa:
 - Hector Gamon Cervantes
 - Alan Ferrante
 - Lisa Roach
- F. Picayune Rancheria of the Chukchansi Indians – Chukchansi Gold Resort and Casino:
 - Debben Beesley
 - Theresa Broadwater
 - Joseph Costello Jr.
 - Douglas Thigpin
- G. Redding Rancheria – Win-River Casino: Kevin Cawker
- H. Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation – Chumash Casino:
 - Virgilio Ando
 - Tamara Blakeley
 - John Dunn
 - Sydney Greer
 - Scott Gregg
 - Donato Ricci
 - David Wilson
 - Brian Wold
- I. Smith River Rancheria – Lucky 7 Casino:
 - Roberto Orozco
 - Gary Rusk
- J. Soboba Band of Luiseno Indians- Soboba Casino: Gonzalo Baeza
- K. Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria – Black Oak Casino:
 - Michael Bundesen
- L. United Auburn Indian Community of the Auburn Rancheria – Thunder Valley Casino:
 - Tiffany Crocker
 - Kelley Deadman
 - John Elledge
 - Susan George
 - Leslie Kelly
 - Quy Nguyen
 - Sharon Strickler
 - Sang Tran
 - Savoeun Vann
 - Vue Yang
 - Sam You
- M. Viejas Band of Kumeyaay Indians - Viejas Casino and Turf Club: Kirk Hardin

15. Revenue Sharing Trust Fund Final Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending June 30, 2007 - Quarterly License Revenue Received and Shortfall Funds

PUBLIC COMMENT

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

CLOSED SESSION

There was no closed session.

ADOURNMENT

Upon motion to adjourn the meeting by Commissioner Cruz, seconded by Chairman Shelton and carried in a roll call vote, with Chairman Shelton, Commissioners Cruz, Shimazu, and Vuksich voting yes, the meeting adjourned at 2:17 p.m.