

California Gambling Control Commission

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**MINUTES OF APRIL 23, 2009
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:01 a.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 Stephanie Shimazu, and Alexandra Vuksich present.

3. Approval of Commission Meeting Minutes for: March 26, 2009 **Tabled**

Chairman Shelton tabled approval of the March 26, 2009 Commission Meeting Minutes.

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

A. Club San Rafael: Pete's 881 Club, Inc.
Estate of Mayme Pellolio, Shareholder Robert Pellolio, Vice President

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the period of May 1, 2009 through October 31, 2009 continuing with condition number one and removing condition number two as follows:

- Continuing Condition number one:
No person may receive shares of stock in Pete's 881 Club, Inc. until that person has been licensed by the Commission as a shareholder.
- Removing Condition number two:

Authorize and empower Commission representatives to examine and copy all documentation deemed necessary for completion of an audit of the gambling establishment

Commissioner Vuksich questioned the lease amount and wanted to know when the Pellolio's took ownership of the property.

Designated Agent Rod Blonien indicated that he did not have that answer and would look into it.

Frank Lechner, Commission Audit Manager indicated that his team audited Club San Rafael and during that audit verified the rent. Manager Lechner explained the changes in the rent agreement, and indicated that the club did not have all the documentation to support the new payments being made.

Commissioner Vuksich asked if Club San Rafael has a licensed key employee; and, if not, shouldn't they. Deputy Director Littleton indicated that she would look into the key employee issue and update the Commissioners accordingly.

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

B. Gold Rush Gaming Parlor: Susan Barrows, Sole Proprietor

Deputy Director Tina Littleton indicated that staff recommended that *the Commission approve the renewal state gambling license for the remainder of the licensure period through August 31, 2009 continuing with the existing condition as follows:*

- *Beginning on January 15, 2009, and continuing on the day of each month thereafter, Ms. Barrows must provide written notification to the Commission outlining her attempts, steps, and efforts to sell the gambling establishment business.*

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

C. Hotel Del Rio and Casino: Hand Family Trust
Ralph Hand, Trustee Charline Hand, Trustee

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the period of May 1, 2009, through April 30, 2011. Upon motion Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation

D. Mortimer's Card Room: Mortimer's, Inc.
Estate of Edward Williamson Mark Williamson, Executor
Estate of Ok Hanna

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the period of May 1, 2009 through April 30, 2011 removing condition number one, continuing with condition number two and adding a new condition. The conditions are as follows:

- Removing condition one:
Charles Kwon, Willis Hanna, and Marylee Sakas must submit applications for a state gambling license within 90 days of November 30, 2007.
- Continuing with condition two:
This license is conditioned upon the local gambling ordinance coming into compliance with the Gambling Control Act (Business and Professions Code sections 19860(a) (1) and 19860(a) (5)) within 12 months of issuance/renewal.
- Adding a New Condition:
Beginning May 1, 2009, and continuing thereafter, the designated agent of Mortimer's Inc. shall provide the Commission with a written report on the progress of the settlement of the Edward L. Williamson and Ok Hanna Estates every 60 days, and notwithstanding the above, the designated agent shall provide the Commission with a written Notice of all Probate Court actions or orders relating to the estates within 10 days of the receipt of the notice of the such action or order.

Commissioner Vuksich inquired if the will was a straight will and testament that must go through probate court.

Keith Sharpe, Designated Agent indicated that both the Williamson and Hanna Estates were in probate and the Williamson estate was about ready to be closed. The Hanna estate is expected to close in approximately six months.

Chairman Shelton inquired if Charles Kwon had applied for a license.

Keith Sharpe, Designated Agent indicated that Charles Kwon had not applied for a license due to his intention to immediately upon closure of the estate transfer those shares to one of his siblings.

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

5. Conversion of Endorsed Key Employee Licenses to Personal Portable Licenses (Pursuant to Business and Professions Code section 19854(d)):

Garden City Casino: Garden City Inc.

Royal Colbert	Harold Furtado	Maria Hagen	Scott Hayden
Roger Jenkins	Alan Kakimoto	Robert Lytle, Jr.	John McDermott
Daniel Morgan	Michael Scott	Francis Smallwood, IV	

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the conversion from endorsed key employee licenses to personal portable key employee licenses, including removing the following condition from Harold Furtado:

- *Mr. Furtado may not work in a key employee position as the Director of Security, for Garden City Casino, until the San Jose Police Department has issued his key employee license.*

Commission Vuksich had some concerns regarding the application of conditions to employees that have portable licenses and how it is communicated to the employee.

Evelyn Matteucci, Chief Counsel indicated that if the condition remained it could be on his approval letter that he would still have to go through the San Jose background investigation, but it would not be indicated on his badge.

Commissioner Vuksich indicated her concern was that by removing the condition the licensee might think they were “out of the woods” when in fact they have to go through the local background investigation.

Commissioner Shimazu inquired if the Commission would notify applicants who are transferring into San Jose that they must go through the local background investigation.

Chairman Shelton indicated he did not want to single out any one applicant and that it is the responsibility of the applicant to comply with the state and local laws.

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

6. Application to Convert Third Party Provider of Proposition Services Owner Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):
E-Prop, LLC, a wholly owned subsidiary of Prop Play, LLC *

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the application to convert registration to a license. Commission staff has reviewed the Bureau's report and concurs and recommended that the Commission approve the license for the period of April 23, 2009

through April 30, 2011. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation provided by the Bureau of Gambling Control.

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

A. BJ Gaming, LLC:

Player: Brad Allen

B. Certified Players, Inc.:

Player: Chhumvicheka Hun

C. Network Management Group, Inc.:

Supervisor: Manny Guise

Players: Cristin Conner	Joseph Daman	Isidro Diaz-Tous
Justin Dimalanta	Deanna Edwards	Cheng Her
Leanna Hernandez	Sandra Pak	Seung Park
Jared Perez	Dao Thao	

D. Pacific Gaming Services, LLC:

Players: Natalia Ramirez Kunthea Suon

E. Pacific Palace, Inc.:

Players: Yi Wa Chen	Chun Chung	Ivan Chung
Huiqing Yuan		

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications to convert registrations to licenses for the applicants in Item 7A-E. Commission staff has reviewed the Bureau's reports and concurs with their recommendations. Upon motion of Commissioner Vuksich, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation provided by the Bureau of Gambling Control.

8. Tribal-State Gaming Compact: Initial Applications For Finding of Suitability As Gaming Resource Supplier and Financial Source (Authority: Tribal-State Gaming Compact, sections 6.4.5 and 6.4.6):

A. IGT: Nevada Corporation *

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the finding of suitability application. Commission staff has reviewed the Bureau's report and concurs and recommended that the Commission approve the finding of suitability for the period of April 23, 2009 through April 30, 2011.

Chairman Shelton indicated that when a company is licensed by a tribal entity and comes before the Commission for verification and approval of that license, the

Commission would like some assurance that the company will be supportive and cooperative with regards to training and support in the field. It has been the experience of the Commission that there has been a lack of support in the field when it comes to training on how a machine works and what the expectation is of that machine. The Chairman further indicated that it is time the State of California gained some respect for what our responsibilities are in this situation. The Commission is not asking companies to tell the Commission whether the machines are class II or class III. The Commission is asking companies to tell the Commission how those machines work and what the expectations are of those machines.

La Vonne Withey, Director of Regulatory Compliance, IGT, indicated that it's important to IGT to have great working relationships and that she believes that IGT is trying to work with the tribal agencies as well as the Commission to address any concerns. Ms. Withey further indicated that it was never IGT's intent to be disrespectful and she would take this information back to the company and see what they can do going forward.

Commissioner Vuksich indicated that perhaps the Commission might consider putting a condition of cooperation on the licenses of these companies.

LaVonne Withey, Director of Regulatory Compliance, IGT, suggested rather than placing a condition on the license IGT would like an opportunity to work this out and move forward. We definitely understand that, I mean we are regulated in multiple jurisdictions and understand the need to cooperate.

Evelyn Matteucci, Chief Counsel indicated that if there was a problem with cooperation the Commission could bring IGT back at another time.

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

B. PDS Gaming Corporation *

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the finding of suitability application. Commission staff has reviewed the Bureau's report, concurs and recommended that the Commission approve the finding of suitability for the period of April 23, 2009 through April 30, 2011.

Chairman Shelton inquired if Mr. Cleary had heard the conversation regarding cooperation with the Commission.

Peter Cleary, CFO, President, Treasurer, PDS indicated that PDS will cooperate in every way they can.

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation provided by the Bureau of Gambling Control

C. WMS Gaming Inc.: Delaware Corporation *

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the finding of suitability application. Commission staff has reviewed the Bureau's report, concurs and recommended that the Commission approve the finding of suitability for the period of April 23, 2009 through April 30, 2011.

Daureen Sloan, Vice President of Regulatory Affairs, WMS indicated that she heard the Commission loud and clear and that WMS absolutely will cooperate in any way they can. Ms. Sloan further indicated she could appreciate the frustration. They are entering into server based gaming and also class II so they heard the Commission's concerns loud and clear.

Chairman Shelton indicated that if applicants work in cooperative partnership with the Commission, we will all be in a better position. The Commission does not approve the games and is not going to hold vendors up from getting products to the field, but the Commission needs to know what vendors are putting in the field together with the technical standards for the products. .

Upon motion of Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation provided by the Bureau of Gambling Control

CONSENT CALENDAR ITEMS:

(Items on the consent calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed, in which case it will be discussed separately at a later point in the meeting.)

9. Applications for Renewal Key Employee Personal Portable License (Pursuant to Business and Professions Code section 19854(d)):

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|------------------------|--------------------|------------------|
| A. Michiko Barratt | J. Zaven Esmali | S. John ODonnell |
| B. Thomas Budds | K. Robert Flores | T. Kelley O'Hara |
| C. Michael Byrd | L. George Freese | U. George Rahme |
| D. Ming Chin | M. Cynthia Fuentes | V. Elena Sagato |
| E. Richard Cloward Jr. | N. Charlie Gin | W. Diana Sanchez |
| F. Mario Conte | O. Joy Harn | X. Hong Fan Shi |

G. Thomas DeCoudres	P. Veronica Lombardi	Y. Sinan Sinanyan
H. Eveliene Dullaart	Q. Howard Liu	Z. Touraj Tehrany
I. William Durbin	R. Fabricio Martinez	AA. John Tian
		BB. Mark Ventre

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

- A. Central Coast Casino (Grover Beach):
Joanne Tsai
- B. Empire Sportsmen's Association:
Mark Greenblatt
- C. Lake Bowl Cardroom:
Sokhamara Men
- D. The 101 Casino:
Russell Kellner Maureen Meex

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

- A. Augustine Casino - Augustine Band of Cahuilla Mission Indians:
Humberto Murillo
- B. Barona Valley Ranch Resort - Barona Band of Mission Indians:
Victor Li
- C. Desert Rose Casino – Alturas Rancheria:
Rachael Safford
- D. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:
Channarith Hab Travis Jorda
- E. Pala Casino – Pala Band of Mission Indians:
Israel Duran Maria Hamto Deena Requelman
- F. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Cindy Goldwing
- G. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Joseph Evington
- H. Santa Ysabel Casino – Santa Ysabel Band of Digueno Indians:
Karl Vyzard
- I. Sycuan Casino - Sycuan Band of Diegueno Mission Indians:
Gregory Liggett
- J. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
Joseph Zarate
- K. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
Allen Dagg
- L. Valley View Casino – San Pasqual Band of Digueno Mission Indians:
Dan Opstad

- M. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:
 Salvador Espinoza Nicholas Hauf Sandra Hernandez
- N. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
 Tiger Fington Juan Mendoza Daniel Perales
- O. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
 Eduardo Cardenas
- P. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
 Marlene Bass
- Q. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
 Gail Almasi Michelle Ansley Casey Byers
 Rodel Cabutotan Wendy Hoang Sophia Kong
 Johnny Le Irene Luong Mei Luong
 Michelle McConnaughy Sing Ngai Mai Nguyen
 Minnie Nguyen Chip Saechao Awang Saephan
 Roy Talangbayan Chanda Thach Sony Vann
 Christopher Vialpando James Wong Lee Yang
 Michael Yang
- R. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
 Christopher Denny
- S. Valley View Casino – San Pasqual Band of Digueno Mission Indians:
 Imelda De la Torre Marcus Lucero Guillermo Medina
 Porfirio Montesdeoca, Jr. Mark-Anthony Nagal Joel Smith
 David Spence
- T. Viejas Casino & Turf Club - Viejas Band of Kumeyaay Indians:
 Thomas Beutnagel Richard Denny Harry Lockett
 Robert Lukianczyk David Martin
- U. Win-River Casino – Redding Rancheria:
 Roy Alcala III Indrick Wilson

13. Revenue Sharing Trust Fund Final Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending March 31, 2009 – Quarterly License Revenue Received and Shortfall.

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve agenda items 9, 10, 11, 12, and 13. Upon motion of Commissioner Shimazu, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the Commission approved the staff recommendation.

PUBLIC COMMENT

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

ADJOURNMENT

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the meeting adjourned at 10:40 a.m.