

**California Gambling Control Commission**

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**MINUTES OF NOVEMBER 24, 2009  
COMMISSION MEETING**

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**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:  
October 20, 2009

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 minutes for October 20, 2009.

4. Request to Approve Stock Purchase Agreement (Pursuant to Business and Professions Code Section 19904):  
Club San Rafael: Pete's 881 Club, Inc.  
Estate of Mayme Pellolio (Seller)  
Robert and Linda Pellolio (Buyers)

Senior Legal Counsel Herb Bolz indicated that Mayme Pellolio signed a sales agreement in 2007 with Robert and Linda Pellolio; however, since that time Mayme Pellolio has passed away.

The executors of the estate, the successor trustees, have elected to continue with the sales agreement. The Commission staff has reviewed the sales agreement and recommended approval of the stock purchase agreement that transfers the stock from the trust to Robert and Linda Pellolio.

Commissioner Shimazu raised the question as to who makes the determination of the options of going through the estate or proceeding with the sales agreement; and, later can the probate court decide the agreement must be done through the estate.

Senior Legal Counsel Herb Bolz indicated that in legal staff's interpretation of the law, it is up to the parties of the contract. They could decide to go through with the contract or they could decide to abandon the contract and process it through the will. If there is a dispute then it would be up to the probate court and the judge would decide. Mr. Bolz further indicated that the parties to the contract agreed in this case.

Commission Vuksich had concerns about the entire transaction and wanted clarification as to who is the current owner licensee and why the family prefers this sale instead of going through the estate settlement process.

Mr. Bolz indicated that the current licensee is Pete's 881, Inc. All the shares of the corporation are held in one of the Pellolio trusts and Mayme is the Trustee of all the trusts. Mayme in her capacity as trustee signed the sales agreement.

Rod Blonien, on behalf of Linda and Robert Pellolio, indicated there is no probate. The estate is in a trust. The assets are in the process of being distributed and all parties agree. Mr. Blonien further indicated that this has been in the works for a long time and everyone thought they would be in the situation they are in now and the family thought it would be faster to go with the purchase agreement.

Commissioner Vuksich wanted to know how the proceeds of the club were distributed.

Robert Pellolio indicated the proceeds have been in bank accounts and the split has been negotiated with all parties. The parties have just been waiting for the State to approve the transition. Robert Pellolio further indicated that all the parties agree and there are no problems.

Commission Vuksich proposed a new condition that a quarterly financial review be conducted, with the contents to be determined by Licensing staff. The reports shall be completed for one year.

Robert Pellolio commented that in the last year the State conducted a very thorough audit and he could provide the documentation if the Commission wished to review it. Mr. Pellolio further indicated that he has made changes on how the earnings are reported as a result of the audit.

Commissioner Vuksich indicated that the financial reports were to verify compliance under the new ownership structure.

(Action on the proposed condition was deferred until Item 5A, the licensing application, was presented to the Commission.

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.

5. Applications for Approval for Initial State Gambling Licenses (Pursuant to Business and Professions Code section 19851 & 19852; Title 4 CCR 12342(a)(8) (Form 143)):
- A. Club San Rafael: Pete's 881 Club, Inc.  
Robert Pellolio, Shareholder/President  
Linda Pellolio, Shareholder/Vice President/Secretary/Treasurer

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended the Commission approve the initial state gambling license applications. Staff has reviewed the Bureau's reports, concurred with their recommendation; and, recommended approval through November 30, 2011 with the following three conditions:

1. *The owner-licensee must establish and follow written policies and procedures for loan agreements as it relates to loans from Pete's 881 Club, Inc., to other parties.*
2. *The owner-licensee must contact the State Controller's Office (SCO) to ascertain if the funds retained in the Chip Liability Account are subject to escheatment under the Code of Procedure, section 1500 et. Seq. and provide the Commission with SCO's written determination within 90 days of this approval.*
3. *All follow-up questions by Commission or Bureau staff deemed outstanding in the Examination of Books and Records, Report of Findings if any, must be responded to in writing to the Commission or Bureau within two weeks of inquiry.*

Commissioner Vuksich reiterated her proposal for an additional condition on the license. The fourth condition would be the following:

*Pete's 881, Inc. shall submit to the Commission and the Bureau of Gambling Control a quarterly financial report, the contents of which shall be determined by the Commission's Licensing Division, submitted by a licensed Certified Public Accountant firm. The first report shall be due in April 2010 and shall continue for two years.*

Chairman Shelton moved to approve staff's recommendation with the fourth condition. The motion was seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

- B. Commerce Casino: California Commerce Club, Inc.  
Aram Saatchian Trust Agreement  
Aram Saatchian, Trustor, Trustee, and Beneficiary

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended the Commission approve the initial application to be endorsed on the state gambling license. Staff has reviewed the Bureau's report and concurred with their recommendation.

Commissioner Shimazu requested clarification regarding an incident with a neighbor in which two misdemeanor contempt orders were issued.

Aram Saatchian indicated that everything was over and there were no more problems.

Attorney Richard Morrow, representing Mr. Saatchian, indicated the issue was about watering and angry neighbors having the ability to influence the police and the luck of presenting to the right judge. Mr. Morrow further indicated that Mr. Saatchian resolved the allegation by admission to the violation of the restraining order. Mr. Morrow emphasized that this is not a crime of morale turpitude.

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.

6. Applications for Renewal of State Gambling Licenses (Pursuant to Business and Professions Code section 19876):

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

(No action was taken on this item due to the approval of Item 5A.)

- B. Gloria's Lounge and Casino: Gloria Gutierrez, Sole Proprietor

Deputy Director Tina Littleton indicated that staff recommended the Commission deny the renewal state gambling license application.

Robert Tabor indicated that he was the Designated Agent for Gloria's, as well as for the party purchasing Gloria's Lounge and Casino. Mr. Tabor explained that Ms. Gutierrez has sold the property. The agreement was executed last week and the parties expect to submit the contract along with applications for the prospective owners within thirty to forty-five days. Mr. Tabor further indicated the purchasers are licensees in California and may bring in another party. Mr. Tabor requested, given that there is a purchase agreement in place, that the Commission extend the license for six months or until his client is licensed as the new owner; or they withdraw the application.

Commissioner Vuksich clarified that the recommendation was based on a delinquency of fees and inquired if the fees had been paid.

Robert Tabor indicated he was just made aware of the delinquent fees and that the renewal fees had been paid, however, the table fees had not.

Deputy Director Littleton added that the denial recommendation was based on the non-compliance with the conditions that had been placed on her license as well as the non-payment of fees.

Robert Tabor indicated that Ms. Gutierrez wants to get out of the business and that was one of the reasons for her failure to communicate with the Commission. Mr. Tabor further indicated that is why the purchasers desire to submit applications as soon as possible, apply for a temporary license and reopen this club.

Commissioner Shimazu indicated that if the Commission were to extend the license, it would benefit Ms. Gutierrez and allow her to profit from it; when Ms. Gutierrez has for months wasted the time of the Commission and the Bureau of Gambling Control by not responding and not complying with the conditions of her license. Commissioner Shimazu commented that she would have trouble allowing Ms. Gutierrez to profit when she has not been at all cooperative.

Robert Tabor suggested extending the license with a condition that Ms. Gutierrez not be permitted to operate the business. Mr. Tabor commented that extending the license and approving new owners would offer new jobs to be created and taxes to be collected.

Chairman Shelton moved to deny the renewal and the motion was seconded by Commissioner Vuksich.

Robert Tabor indicated that given the intent of the Commission, he requested a referral to an administrative hearing.

Chairman Shelton acknowledged the request and said Mr. Tabor's request would be honored. Chairman Shelton then called for the vote and the motion was unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

c. La Primavera Pool Hall and Café: Candelario Salas, Sole Proprietor

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control has recommended the Commission extend the renewal state gambling license through December 31, 2010. Staff provided the Commissioners with three optional recommendations for consideration of the renewal state gambling license application as follows:

1. Concur with the Bureau's recommendation;
2. Deny the renewal state gambling license application.
3. Approve the renewal state gambling license application for one year (through November 30, 2010) amending the existing condition as follows:

*Mr. Candelario Salas will send the Commission, no later than the 15<sup>th</sup> day of each month, documentation on the progress of establishing a repayment plan with the Internal Revenue Service (IRS). This condition will continue until repayment has been completed.*

Ms. Littleton further indicated that the applicant has submitted a request for an evidentiary hearing should the Commissioners vote to deny her state gambling license.

Chairman Shelton moved to deny the application to renew the state gambling license. The motion was seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

D. Lucky Lady Card Room: Stanley Penn, Sole Proprietor

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license application for the period of December 1, 2009, through November 30, 2011.

Commissioner Vuksich requested clarification regarding litigation involving Mr. Penn and a loan incurred by one of his employees.

Rod Blonien, Designated Agent, indicated that the Lucky Lady received a notice of garnishment for wages for Mr. Lamb. They gave the garnishment to the payroll company, but were unaware that the payroll company had received two others. Pursuant to the law, the third garnishment did not catch anything. Whoever was pursuing the garnishment, filed in small claims court against Lucky Lady. The parties involved agreed outside of court that Mr. Lamb would pay \$100.00 a month towards the debt. Mr. Penn believed that the matter would not go forward in small claims court. The persons wanting the garnishment went against their word and got a judgment against the Lucky Lady for \$3,000.00. Mr. Penn is filing a small claims action against Mr. Lamb for \$3,000.00 to recover his loss.

Commissioner Shimazu questioned why Mr. Penn did not disclose this on his application. Mr. Blonien indicated that Mr. Penn simply overlooked disclosing this litigation along with the two other suits he did disclose. Mr. Blonien further indicated that the Bureau of Gambling Control was not aware of the other two suits until Mr. Penn disclosed them, which indicates there was no intent to withhold information.

Commissioner Vuksich questioned whether the debt of Mr. Lamb was gambling-related debt, and Mr. Penn indicated that it was not.

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.

E. Palomar Card Club: General Partnership  
General Partners: Robert Cloper Donald Staats Susan Staats

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license applications for the period of December 1, 2009, through November 30, 2011 with the following condition:

*Nr. Naseem Salem must submit a state gambling license application as a Financial Interest Holder to the California Gambling Control Commission within 30 calendar days of this approval.*

Commissioner Vuksich requested clarification regarding the University Heights Association LLC. Commissioner Vuksich was also interested in why the rent on the Palomar Club had increased so much.

Naseem Salem, General Manger, indicated the University Heights LLC. is owned fifty percent by Adel Salem, his father, and fifty percent by himself. Mr. Salem further indicated that the current Palomar Club is a combination of two businesses. The original club was 800 square feet and they purchased the business next door to it and combined them to increase the Palomar Club to 2600 square feet. They completed major remodeling and the decision to raise the rent was a business decision to generate income.

Elijah Zuniga, Designated Agent, indicated it was one box building and they purchased it all and removed the bar and the restaurant to maximize room for the Cardroom.

Commissioner Shimazu asked Mr. Salem what his position was at the cardroom. Mr. Salem responded saying he was a Key Employee, Designated Agent and General Manager.

Chairman Shelton asked Mr. Salem if he had any problems with the condition that was being placed on the renewal license.

Elijah Zuniga commented that the San Diego municipal code does not allow any further owners on the gambling license. Once the owners die, the licenses die. There is no way he could be licensed to be a Financial Interest Holder per the municipal code.

Commissioner Shimazu questioned if that was an issue if he was just a Financial Interest Holder.

Chief Counsel, Joe Dhillon indicated that he would be interested in what authority the designated agent has to support his position. The legal staff reviewed the ordinance and it is not clear to them. The legal staff has reached out to the City Attorney of San Diego for clarification. Mr. Dhillon asked if Mr. Zuniga had any authority to support his interpretation.

Mr. Zuniga indicated he learned, through casual conversation, that the City Attorney of San Diego was not clear on the ordinance either.

Chairman Shelton indicated that the condition would stay and if necessary, it can come back before the Commission if Legal discovers new information.

Mr. Zuniga indicated that Mr. Salem, as a Key Employee, has gone through the scrutiny of obtaining a license. He has nothing besides a signed lease for twenty years as a Financial Interest Holder. There is no percentage taken by him. It is a flat lease. Mr. Salem indicated that they took a risk of possibly losing this investment since the license is conditioned on the life of the owners and the owners are all in their late seventies. It was their intention to upgrade the cardroom and make it profitable so they could collect on their remodeling investment through rental payments made during the limited number of additional years before the cardroom business must close per the local ordinance.

Chairman Shelton indicated that it was Mr. Salem's business how he invested his money, but it was the Commission's business to ensure that everyone is licensed and that the Commission can follow the money.

Commissioner Vuksich commented that there was a clear financial interest.

Chief Counsel, Joe Dhillon indicated that the condition is within the authority of the Commission to impose. The only question that has not been resolved is the interface between this condition, which is clearly lawful, and the city ordinance. Mr. Dhillon further indicated it is not the intent of the Commission to affect the ordinance. Mr. Dhillon commented that Legal staff would work with the city attorney and bring information to the Commission as needed.

Chairman Shelton requested that Mr. Salem and Mr. Zuniga work with the Commission's Legal staff and the San Diego City Attorney.

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.

(This Item was reopened and the condition amended. Refer to Public Comments, page 18)

F. The 101 Casino: Cal-Pac Sonoma, LLC  
John Park, Member

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license application for the period of December 1, 2009, through November 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.

G. The River Card Room: The River Card Room, Inc.  
John Park, Shareholder

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license application for the period of December 1, 2009, through September 30, 2011.

Deputy Director Tina Littleton further indicated that Mr. Schindle has submitted an application and request for a temporary license as a one percent shareholder. He is buying his shares from Ms. Wendy Park. The transfer of shares is being reviewed by the Legal staff and the temporary license investigation is being conducted by the Bureau of Gambling Control.

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.

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

Comstock Card Room: Joseph and Monica Melech, Sole Proprietors

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the request to add 3 additional permanent tables for a total of 8 tables. Staff reviewed the Bureau's report and concurred with their recommendation.

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.

8. Applications for Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(d)):

A. Michael Digaetano

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the initial key employee portable personal license application. Staff has reviewed the Bureau's report and recommended that the Commission approve the application with the following condition:

*Mr. Digaetano must submit to the Bureau of Gambling Control and the California Gambling control Commission any amended 2007 tax returns.*

Commissioner Shimazu requested staff to add a statement to the condition requesting documentation as to why the returns did not require amending.

Ms. Littleton proposed adding the following:

*If the 2007 tax returns are not required to be amended, Mr. Digaetano shall submit written documentation to the Commission and the Bureau documenting the reasons amendment was not required.*

Chairman Shelton asked Mr. Digaetano if he was agreeable to the condition placed on his license, and Mr. Digaetano responded with yes.

Chairman Shelton moved to approve the staff recommendation with the addition to the condition. The motion was seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

- B. Samantha Hoang
- C. Fesan Saelee
- D. Hou Thlang
- E. Francis Phap Tu
- F. Brian Yee

Commissioner Shimazu questioned the discovery of a sizable tax discrepancy in the application background investigation for Francis Phap Tu with regard to the amount of winnings and the amended amount.

Chris Davis, Bureau of Gambling Control, indicated that the Bureau spoke with Mr. Tu, his Certified Public Accountant, and the cardroom and the Bureau is comfortable that the issue was resolved and it was related to business loans for improvements and were paid back.

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the initial key employee portable personal license applications for the applicants in Items 8B-8F. Staff has reviewed the Bureau's reports, concurred with their recommendation; and recommended approval through November 30, 2011.

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.

9. Application for Work Permit (Pursuant to Business and Professions Code section 19912):

Empire Sportsmen's Association: Hai Thanh Nguyen

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the initial work permit application. Staff has reviewed the Bureau's report and concurred with their recommendation.

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.

10. Application to Convert Gambling Business Owner Registration to a License (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):  
Gaming Fund Group, Inc.: David Chau, Owner/General Manager/Chief Operating Officer
11. Applications to Convert Third Party Provider of Proposition Player Services Owner Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):  
Gaming Fund Group, Inc.: David Chau, Owner/General Manager/Chief Operating Officer

Licensing Manager Marianne Estes indicated the Bureau of Gambling Control recommended that the Commission approve the application for the applicant in Items 10 and 11, to convert registration to a license. Staff has reviewed the Bureau's report and concurred with their recommendation; and, recommended endorsement on Gaming Fund Group, Inc.'s license through September 30, 2010.

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.

12. Applications to Convert Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):
- A. Gaming Fund Group, Inc.:  
Supervisors: Huy La            Mike Nguyen
  - B. Network Management Group, Inc.:  
Player: George Camacho
  - C. Premier Player Providers, Inc.:  
Player: Tricia Bentley
13. Applications to Convert Third Party Proposition Supervisor/Player Registration to Licenses (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):
- A. California Gaming Consultants:  
Player: Nhang Chu
  - B. Certified Players, Inc.:  
Player: Nga Tran
  - C. Gaming Fund Group, Inc.:  
Supervisors: Huy La  
Player: Khin Ung
  - D. Gaming Management, Inc.:  
Player: Darren Shipley
  - E. Network Management Group, Inc.:  
Players: George Camacho    Ryan Huntington    James May, Jr.  
          James Mitchell        Nicholas Pouncey    Fay Saechao
  - F. Pacific Gaming Services, LLC:

Supervisors: Matthew Park Gary Winters  
Player: Y Thi Le  
G. Premier Player Providers, Inc.:  
Player: Tricia Bentely

Licensing Manager Marianne Estes indicated the Bureau of Gambling Control recommended that the Commission approve the applications for the applicants in Items 12 and 13, to convert registrations to licenses. Staff has reviewed the Bureau's reports and concurred with their recommendations; and, recommended approval through November 30, 2011.

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.

14. Application for Request to Convert Third Party Proposition Supervisor Registration to a License – Request to Withdraw (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):  
Red Dog Partners, Inc.: Russell Tan

Licensing Manager Marianne Estes indicated that staff recommended that the Commission approve the request to withdraw without prejudice.

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.

15. Tribal-State Gaming Compact: Initial Application 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. C. Coin-Nevada Corporation:  
Alea Partners, LLC, Shareholder  
Roberto Mignone, Managing Member David Wolfe, Member

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the initial finding of suitability applications. Staff has reviewed the Bureau's reports and concurred with their recommendations; and, recommended endorsement on AC Coin's finding of suitability through September 30, 2011.

Commissioner Vuksich asked if the LLC was a private equity placement.

John Maloney, representing AC Coin and Alea Partners, indicated that Alea Partners is a private company. The company was formed solely for the purpose of investing in AC Coin. It is a ten percent investment and the only two investors are Mr. Mignone and Mr. Wolfe.

Commissioner Vuksich asked Mr. Maloney about the source of funds for Mr. Mignone and Mr. Wolfe.

Mr. Maloney explained that Mr. Wolfe has a Fidelity plan investing 1.3 million dollars and his funds are coming out of a money market account. Mr. Mignone has substantial assets. The source of funds will come from a money market account and a hedge fund called Swift Current Partners. Bridger Capital and Bridger Management are the fund managers for that of which Mr. Mignone is one hundred percent owner. Bridger Capital and Bridger Management were reviewed by the Bureau.

Commissioner Vuksich commented on the issue that a number of states are facing, which has more to do with the appropriateness of private equity and hedge funds, as lenders, or investors, in gambling enterprises: Because the Commission's ability to follow the money really stops, for example, with Mr. Mignone. The Commission cannot go beyond there and follow the money to reveal the actual investors, because of the way private placement works.

Mr. Maloney indicated the hedge fund has a form D filing. Public disclosure is not there, however, most hedge funds will reveal the names of the investors.

Commissioner Vuksich requested a white paper prepared by Legal and Licensing and the Bureau, exploring the appropriateness of these types of current investment models, and their application to this particular industry.

Senior Management Auditor, Dorothy Cooper indicated that in the past when the Bureau has worked with a hedge fund of this type, the Bureau has requested and received a list of investors.

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.

16. Application for Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.5):  
Gaming Partners International USA, Inc.: a Nevada Corporation\*

Licensing Manager Marianne Estes indicated staff recommended the Commission approve the renewal finding of suitability application for the period of December 1, 2009, through November 30, 2011.

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.

17. Applications for Approval for Interim State Licenses for Bingo Manufacturers and Distributors (Penal Code 326.5 and California Code of Regulations, Title 4, section 12492):  
A. LIF Capital Group, LLC:

David Fried, Member

Lee Ira Fried and Nancy Fried Lew 2000 Revocable Trust, Member

Lee Ira Fried and Nancy Fried Lew, Trustors, Trustees, and Beneficiaries

B. Pacific Gaming, LLC:

David Fried, Member

Lee Ira Fried and Nancy Fried Lew 2000 Revocable Trust, Member

Lee Ira Fried and Nancy Fried Lew, Trustors, Trustees, and Beneficiaries

Staff Analyst Kelly Schmidt indicated staff recommended that the Commission approve the initial applications for interim license for the period of November 24, 2009 through November 30, 2010 with the following conditions:

- (1) An interim license shall be valid for one year from the date it is issued by the Commission and may be renewed if regulations specifying the criteria for a regular license have not been adopted.*
- (2) Upon adoption of regulations specifying the criteria for a regular license, the Commission will notify the holder of the interim license of the requirement to submit a regular application package within 30 days of the effective date of the regulations. If a response has not been received within 30 days, the interim license will not be eligible for renewal.*
- (3) An interim license does not obligate the Commission to issue a regular license nor does it create a vested right in the holder to either a renewal of the interim license or to the granting of a subsequent regular license.*
- (4) Issuance of an interim license has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim license will be cancelled in the event that the Commission subsequently determines the applicant does not qualify for a regular license.*
- (5) If, during the term of an interim license, it is determined that the holder is disqualified pursuant to Section 12494, the Executive Director shall prepare an order to show cause why that interim license should not be cancelled. The holder of the interim license shall be given at least 30 days, but not more than 90 days, to respond in writing. After receipt of the holder's response, or if the holder fails to respond in the time specified, the matter shall be set for consideration at a noticed Commission meeting. The holder may address the Commission by way of an oral statement at the Commission meeting and, either in writing not less than ten days prior to the meeting or at the meeting itself, may request an evidentiary hearing.*

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.

**CONSENT CALENDAR ITEMS:**

Commissioner Vuksich requested clarification on the procedure when a Work Permit has all ready expired before the application has come before the Commission.

Licensing Manager Marianne Estes indicated that a temporary Work Permit is issued for 120 days, allowing the applicant to continue employment. After the applicant has been approved, the applicant goes back to standard Work Permit expiration period.

18. Applications for Initial Work Permits (Pursuant to Business and Professions Code section 19912):
  - A. Empire Sportsmen's Association: Lynda Ngo
  - B. Lake Bowl Cardroom: Shawn Blankenship Sean Drake Debbie Renaud  
Mai Thao
  - C. The 101 Casino: Laurie Banks Javon Williams
19. Applications for Renewal Work Permits (Authority Pursuant to Business and Professions Code section 19870):
  - Club San Rafael: Caitlin Douglas Lucas Shulkin
20. Applications for Initial Tribal-State Compact Key Employee Findings of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
  - A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:
    - Kathrine Castro Daniel Clinard Carlos Walker
  - B. Barona Valley Ranch Resort - Barona Band of Mission Indians:
    - Bruce Downey Aaron Marxen Erica Payne
  - C. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians:
    - Hav Ung
  - D. Cahuilla Creek Casino – Cahuilla Band of Mission Indians of the Cahuilla Reservation:
    - Keenan Wright
  - E. Chicken Ranch Bingo and Casino – Chicken Ranch Rancheria of Me-Wuk Indians:
    - Erin Hall
  - F. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
    - Richard Cooper Tawny Dugovic
  - G. Coyote Valley Casino - Coyote Valley Band of Pomo Indians:
    - Craig Cay Tremayne Henson
  - H. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:
    - Lani Burkhardt Marty Goldman Veth Lab
  - I. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
    - Charles Fearing
  - J. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
    - Tonilee Chavez Lonny Due, Jr. Eloida Erasmo

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|--|-----------------|----------------------|---------------------|
|  | Venus Francisco | Maria Garcia de Rios | Baby Hoxie          |
|  | Jonas Lanuzga   | Rogelio Mejares, Jr. | Ricky Montgomery II |
|  | Konny Pereira   | Suzanne Sanchez      |                     |
- K. Quechan Casino Resort - Quechan Tribe of the Fort Yuma Indian Reservation:  
Alyson Trethric
- L. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:  
Sharon France
- M. Red Hawk Casino – Shingle Springs Band of Miwok Indians:  
Terry Contreras      Michael Hankin      Peter Nairn  
James Sweatt
- N. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:  
James Yoast
- O. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:  
William Courtney
- P. Soboba Casino - Soboba Band of Luiseno Indians:  
John Hicks      Athena Lopez      Lumilda Ruiz
- Q. Sycuan Casino - Sycuan Band of Diegueno Mission Indians:  
Eduardo Cunanan      Julie Ebsen      Troy Fuller  
April Randle
- R. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:  
Leon Huntsman      Phonexay Khamvongsa  
Thomas Martinez, II      Efren Villareal
- S. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:  
Yvonne Mao
- T. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:  
Ricardo Hurtado
- U. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:  
Mary Dumo      Ahmed Mohamed      Brian Potter
21. Applications for Renewal Tribal-State Compact Key Employee Findings of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:  
Robert Alfonso, Sr.      Kenneth Carnahan      Michael Carruthers  
Maureen Fazio      Damir Gegic      Raul Longoria  
Scott Pappas      Jeffrey Rice      Pitchesinee Sandau  
Karl Siffleet
- B. Barona Valley Ranch Resort - Barona Band of Mission Indians:  
Eugene Gutierrez      Karol Schoen
- C. Bear River Casino - Bear River Band of the Rohnerville Rancheria:  
Jesse Parks      Michael Pires      Hector Sandoval
- D. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:  
Janine Nelson
- E. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians:

- |  |                    |                        |                 |
|--|--------------------|------------------------|-----------------|
|  | Cassandra Brearley | Christopher Concepcion | Le Hang         |
|  | Lynda Hong         | Kee Kang               | Allison Khon    |
|  | Narin Khon         | Matthew Klinkovsky     | Cary Lee        |
|  | Rodney Luck        | Ramon Martinez         | Derick Nakayama |
|  | Alex Ontiveros     | Tikaram Subedy         | Mark Tateyama   |
|  | Ken Tieu           | Jay Vang               | Wei Wang        |
- F. Chicken Ranch Bingo and Casino – Chicken Ranch Rancheria of Me-Wuk Indians:  
Susan Hatcher                      William Greener
- G. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:  
Thai Lee                              Somchai Tang                      Theng Vang
- H. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:  
Timothy Regis
- I. Colusa Casino and Bingo – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:  
Leonard Ross
- J. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:  
Tyson Gibson
- K. Fantasy Springs Casino – Cabazon Band of Mission Indians:  
Stephen Oskiera                      Axel Van Der Velden
- L. Gold Country Casino – Berry Creek Rancheria of Maidu Indians of California:  
Julie Brown                              Dustin Edwards                      Fernando Lopez  
Michael Massa                              Gary Nolan                              Edward White
- M. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:  
Debra Biss                              Soi Soulyalangsy
- N. Konocti Vista Casino – Big Valley Band of Pomo Indians of the Big Valley Rancheria:  
Damien Wickard
- O. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:  
Stephanie Alcorn                      Eliseo Granados                      Richie Inthasone  
Denise Macias                              Teri Ortiz
- P. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:  
Maher Bashary                              Edwin Chancey                              Elmer Flores  
Dale Fredrick                              Joyce Hernandez                              Robert Homeyer  
Kyong Sook Iwaki                              Metodija Kolev                              Brenda Martinez  
Wilma McFarlin                              Neng Moua                              Cynthia Munoz  
Gustavo Padilla                              Deborah Pearce                              Ronny Whitehead
- Q. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:  
Jimin Tan
- R. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:  
Titphalith Yem
- S. Sho-Ka-Wah Casino – Hopland Band of Pomo Indians of the Hopland

- Rancheria:
- James Chittaphong      Joseph Elliott
- T. Soboba Casino - Soboba Band of Luiseno Indians:  
     Caroline Moore      Michelle Priest      Paul Remkes
- U. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:  
     Willie Barrios      Annette Miller
- V. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:  
     Muang Saepanh
- W. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:  
     Nichte-Ha Marcelin Avila    Angela Davis      Angelica Diaz  
     Gloria Dillinger      Michele Fernandez    Todd Jackson  
     Katharine Laird      Jennifer Mills  
     Chaiyaporn Pundhsingh
- X. Viejas Casino & Turf Club - Viejas Band of Kumeyaay Indians:  
     Isam Alayoubi      Alphonse Bassene    Patricia Embleton  
     Kevin Nguyen      Theresa Torres

22. Adoption of Resolution Concerning Delegation of Authority in Rulemaking (Government Code sections 11017.6, 11343(f), 11346.1(h), and 11347).

Licensing Manager Marianne Estes indicated that staff recommended that the Commission approve agenda items 18, 19, 20, 21, and 22.

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.

**PUBLIC COMMENTS:**

Norm Pierce, Bureau of Gambling Control, requested the Commission reopen Item 6E, the Palomar Cardroom. Mr. Pierce indicated that the University Heights Associates LLC was fifty percent owned by Adel Salem; and, therefore would ask that the condition be amended to include Adel Salem as an applicant as well as Naseem Salem.

(Person from the audience) stated the amendment should also include the University Heights Association LLC.

Chairman Shelton reopened Item 6E.

Deputy Director Tina Littleton indicated the staff recommended the amended condition as follows: Mr. Naseem Salem, Mr. Adel Salem and University Heights Associates LLC shall submit a state gambling license application to the California Gambling Control Commission within 90 days.

Chairman Shelton moved to amend the original motion to include the approval of the staff recommendation with the amended condition. The motion was seconded by

Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

**Adjournment:**

Chairman Shelton adjourned the meeting at 11:07 a.m.