

California Gambling Control Commission
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MINUTES OF MAY 14, 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:
 - A. April 8, 2009
 - B. April 13, 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 meeting minutes for April 8, 2009 and April 13, 2009.

Deputy Director Tina Littleton requested that Item 16 H, Randy Hawkins with Mono Wind Casino be tabled.

4. Applications for Renewal of State Gambling License Including All Associated Applicants and Endorsees (Pursuant to Business and Professions Code section 19876):
North Coast Casino: T&T Gaming, LLC
Thomas Bruner, Member Robert Thomson, Member

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the period June 1, 2009 through May 31, 2011, removing the following condition:

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)) by March 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 Shimazu and Vuksich voting yes, the Commission approved the staff recommendation.

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

- A. David Houghten
- B. Bobby Huang
- C. Ardath Hyer

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications for key employee personal portable licenses in Item 5A through 5C. Commission staff has reviewed the Bureau's reports and concurs with their recommendations. 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 recommendations provided by the Bureau of Gambling Control.

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

The 101 Casino: Francisco Romo

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the application for work permit. Commission staff has reviewed the Bureau's report and concurs with their recommendation. 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 recommendation provided by the Bureau of Gambling control.

7. Application for License as an Owner of Gambling Business (Pursuant to Business and Professions

Code section 19853 and California Code of Regulations, Title 4, section 12233):

Gaming Fund Group, Inc: a Nevada Corporation
William Schipani, Shareholder/President/Secretary/Treasurer
Vincent Shaw, General Manager
Game Source, LLC* (Funding Source)

8. Application for License as an Owner of Third Party Provider of Proposition Services (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, section 12218):

Gaming Fund Group, Inc: a Nevada Corporation
William Schipani, Shareholder/President/Secretary/Treasurer
Vincent Shaw, General Manager
Game Source, LLC* (Funding Source)

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the licenses in Items 7 & 8 for the remainder of the licensure period June 1, 2009 through September 30, 2010 continuing with conditions number 1 and 2; and removing condition number 3 as follows:

1. *Gaming Fund Group, Inc. will not provide third-party proposition player services to, or operate as a gambling business at S&S Gaming dba Club Caribe until S&S Gaming, Inc. has repaid in full all outstanding loans owed to Gaming Fund Group, Inc. and/or Game Source, LLC.*
2. *Gaming Fund Group, Inc. and Game Source, LLC will provide a copy of the reconveyance to the Commission and Bureau when S&S Gaming, Inc. has repaid in full the loans owed to Gaming Fund Group, Inc. and Game Source, LLC.*

And removing the existing condition:

3. *Gaming Fund Group, Inc., Game Source, LLC and TAJA Enterprises submit requested documents and information as requested by the Commission and Bureau to determine if Mr. Aiello's role in the business interests should be discontinued in order to ensure compliance with the Gambling Control Act. The documents and information will be submitted within 45 days of the date of the request.
Once the documents and information is reviewed by the Commission and Bureau, the Commission reserves the option to consider any additional required conditions that should be included in Gaming Fund Group Inc.'s licensure.*

Amy Arndt, Licensing Staff Analyst presented an overview of the licensing history of Gaming Fund Group.

Adeniyi Wale Ayoade, Staff Counsel Specialist presented legal analysis and legal recommendations relating to the conditions.

Commissioner Shimazu had concerns regarding the familial relationship between Gaming Fund Group and TAJA Enterprises. Commissioner Shimazu also questioned if the monthly fee in the agreement between TAJA Enterprises and Gaming Fund Group is typical.

Keith Sharp, Attorney representing Gaming Fund Group and Game Source indicated that TAJA is a legitimate IP business and has been in business for a number of years with many business relationships. He further indicated that the contract with Gaming Fund group and TAJA Enterprises is a standard "Arms Length" contract with very typical terms. Mr. Aiello is a passive member and is not involved with the day to day business of TAJA. Mr. Sharp indicated that the fee is in accord with the intellectual property that's been transferred and that intellectual property is critical to Gaming Fund Group's business.

Commissioner Vuksich had concerns regarding the fact that both entities have a person associated with it who has been convicted of a felony. Commissioner Vuksich wanted to

know how she could be confident that the public is protected from a mindset that seems to be pervasive on both sides for accommodating persons who have had run ins with the law.

Keith Sharp, Attorney representing Gaming Fund Group and Game Source indicated that there was not a mindset of accommodating criminals. Gaming Fund Group/Game Source understands the gravity and importance of the license and will not do anything to jeopardize that license.

Chairman Shelton indicated that any felon who has been convicted especially of gambling violations is very worrisome to him. Chairman Shelton further indicated he wanted the felons removed and did not want them to have any part of the business.

Keith Sharp, Attorney representing Gaming Fund Group and Game Source indicated that there is no factual or legal support what so ever to say that Mr. Aiello's position in the company, under this agreement has any possible way to be any influence. Mr. Sharp further indicated that this has been investigated by the Bureau of Gambling Control and they found nothing.

Evelyn Matteucci, Chief Counsel indicated that TAJA Enterprises only has one contract with Gaming Fund Group. The proposed condition would add that if Gaming Fund Group or Mr. Aiello had any other contracts, they would have to come before the Commission before they could enter into that contract.

Norm Pierce, Assistant Bureau Chief of the Bureau of Gambling Control indicated that the report submitted to the Commission is accurate and reflective of the Bureau's position. Mr. Aiello and TAJA Enterprises do not have an "Arms Length" business relationship with the applicant. Mr. Pierce further indicated that the Bureau does not have conclusive evidence that there is a criminal connection but that he believes there is sufficient evidence to raise serious concern about that relationship. Mr. Pierce reiterated the request that the conditions that were proposed by the Bureau be adopted.

Commissioner Vuksich moved to approve the staff recommendation and add the following three conditions:

1. *Any future involvement between Gaming Fund Group and James Aiello or TAJA Enterprises or any other gaming business relationship with James Aiello be approved in advance by the Commission.*
2. *Gaming Fund Group shall not allow TAJA Enterprises to have any influence or control over Gaming Fund Group's operations.*
3. *Any further negotiations by Gaming Fund Group with TAJA Enterprises shall be conducted with Tom Artle or whoever is the managing member of TAJA enterprises, and not involve James Aiello in any manner.*

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, the Commission approved the staff recommendation with three additional conditions.

9. Applications 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.: a Nevada Corporation

Shahla Pourmohamad-Shariloo, Member, Game Source, LLC

10. Applications 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):

Gaming Fund Group, Inc.: a Nevada Corporation

Shahla Pourmohamad-Shariloo, Member, Game Source, LLC

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications to covert registrations to licenses in Items 9 & 10. Commission staff has reviewed the Bureau's reports and concurs with their recommendations.

Commissioner Vuksich had concerns over the source of funds for the investment in the company. Ms. Purmohamad-Shariloo and her brother have investments in this company and received their funds from their father as loans or gifts. Commissioner Vuksich indicated that all the familial investment gave the appearance that the father, who is now a convicted felon and cannot hold these investments, is now using his children as placeholders.

ShahlaPurmohamad-Shariloo indicated that it was her decision to invest in this company. She was familiar with this investment because her parents had invested and they had discussed it through the years. Ms. Purmohamad-Shariloo assured the Commission that the father had no influence on the investment and that she just wanted to make a lucrative investment.

Robert Tabor, Attorney for Ms. Purmohamad-Shariloo indicated that Ms. Purmohamad-Shariloo did receive a gift from her parents however; her father has no control over her money or investments. He further indicated that the acquisition of this investment was well before the father's conviction and the fact is that it is a good investment.

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 recommendation provided by the Bureau of Gambling control.

11. Applications to Convert Gambling Business Player/Supervisor Registration to a License (Pursuant to Business and Professions Code section 19853 and California Code of Regulations, Title 4, section 12233):

Network Management Group, Inc.:

Supervisor: Jason Kim

Mathew Norton

Andrew Reisinger

Christopher Villescaz

Player: Adrian Veliz

12. 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. Certified Players, Inc.:

Player: Thanh La

B. Network Management Group, Inc.:

Supervisor: George Agapitos	Sean Brown-D'Elia	Trung Bui
Craig Carilli	Connie Chung	Victor Fregoso
Murry Gaerlan	Jason Kim	Todd Nguyen
Mathew Norton	Jenie Nov	Bunthoeun Prum
Andrew Reisinger	David Samaniego	Jan-Vincent So
Tuan Thai	Christopher Villescaz	
Player: Dusty Robertson	Adrian Veliz	

C. Pacific Gaming Services, LLC:

Player: Tina Hein

D. Pacific Palace, Inc.

Player: Touch Phan

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications to convert registrations to licenses in Items 11 and 12A through 12D. Commission staff has reviewed the Bureau's reports and concurs with their recommendations. 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 recommendation provided by the Bureau of Gambling control.

13. Applications 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):

A. Banc, LLC:

Quang Woong

B. E-Prop, LLC:

Renee Boches	Steven Devore	Tomoko Kubo
Michael Lu	William McCrumn	Rodney Palma

C. Network Management Group, Inc.:

Rodger Fujimoto Joshua Valencia

D. Pacific Gaming Services, LLC:

Joleen Jenkins Trevor Seuthe

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the applicants request to withdraw without prejudice in Items 13A through 13D. 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

14. 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):

Innovations in Native-American Gaming, Inc.:

Mark H. Jones, Shareholder, President, Secretary, Treasurer

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the renewal finding of suitability with the seven conditions as follows:

1. *INAG will immediately terminate any lease, sales, and/or distribution agreements for Mystery Card Roulette games within the State of California.*
2. *INAG will immediately cease accepting any form of remuneration for any leases, sales, and/or distribution of Mystery Card Roulette games within the State of California.*
3. *Prohibit INAG from selling, leasing, and/or distributing any additional Mystery Card Roulette games that were leased/sold/distributed in the State of California.*
4. *INAG will not repair or replace any Mystery Card Roulette games that were leased/sold/distributed in the State of California.*
5. *INAG will only market the card version of its Volcanic Single Ball Bingo and Native-American SPARC games.*
6. *INAG will comply with all gaming statutes and duly adopted regulations.*
7. *INAG is required to remit to the Commission the additional background deposit in the amount of \$8,500 no later than May 28, 2009.*

Commission staff had reviewed the Bureau's report and did not concur with their recommendation. Commission staff recommended that the Commission approve the renewal finding of suitability for the remainder of the licensure period from June 1, 2009 through August 31, 2010 continuing with the existing condition as follows:

- *INAG will refrain from promoting "Mystery Card Roulette" as a "Compact compliant" game in any magazine, advertisement, or other marketing venture.*

Erica Ramirez, Licensing Staff Analyst presented the Commission with a brief licensing history of Innovations in Native-American Gaming, Inc.

Jesica Pandika Staff Counsel presented a legal analysis and recommendation in regards to the conditions.

Norm Pierce, Assistant Bureau Chief, Bureau of Gambling Control indicated that the Bureau had recommended an additional condition beyond those applying to the legality of the game. It pertained to an outstanding payment for investigative costs associated with the renewal investigation. Mr. Pierce further indicated that the Bureau has reviewed the Commission's response and position in that matter and that the Bureau will pursue it by other means.

Robert Tabor, Attorney for Innovations in Native-American Gaming, Inc. indicated that the company basically concurred with the recommendations of the Commission except he recommended the wording of the condition to be changed to: Innovations in Native-American Gaming, Inc. will refrain from promoting "Mystery Card Roulette" as a game

that "has been determined by the State of California to be compact compliant" in any magazine, advertisement, or other marketing venture. Mr. Tabor further indicated that this would allow the company to advertise the game as being found compact compliant by various Tribal Gaming Agencies.

Chairman Shelton indicated that the game has not been found compact compliant by the State of California and to say it has been found compliant by the Tribal Gaming Agencies is a half truth. Chairman Shelton further indicated that the Bureau of Gambling Control had every right to advise the tribes that at this time this was not a compact compliant game.

Mark Jones, President of Innovations in Native-American Gaming, Inc. indicated that when he talks to the Tribal Gaming Agencies he advises them on all the issues related to Mystery Card Roulette. Mr. Jones asked the Commission if he could say in his advertisements that Innovations in Native-American Gaming, Inc. has Mystery Card Roulette playing at the following casinos....

Chairman Shelton indicated that he didn't have a problem with that as long as Mr. Jones practiced full disclosure of the issues of the game with the Tribal Gaming Agencies. Chairman Shelton further indicated he had confidence that Mr. Jones would comply.

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 Commission's staff recommendation

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.)

15. Applications for Initial Work Permit (Pursuant to Business and Professions Code section 19912):
 - A. Central Coast Casino (Grover Beach):
Jon Tarpin
 - B. Old Cayucos Tavern:
Brian Moseley
 - C. The 101 Casino:
Rosalie Simonitch

16. Applications for Initial Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
 - A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:
Veronica Chavira
 - B. Barona Valley Ranch Resort - Barona Band of Mission Indians:
David Collier Elizabeth Pendleton
 - C. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:

- Thomas Keshishian Joseph Ryan
- D. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Dennis Ardenio Fernando Medina Liza Rodriguez
- E. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:
Tyson Gibson
- F. Feather Falls Casino – Mooretown Rancheria of Maidu Indians:
Stephanie Pejsa
- G. Harrah's Rincon – Rincon Band of Luiseno Indians:
Andrea Riccardi Blaine Simmons
- H. Mono Wind Casino – Big Sandy Rancheria Band of Western Mono Indians:
Randy Hawkins
- I. Pala Casino – Pala Band of Mission Indians:
William Silverthorn
- J. Paradise Casino California - Quechan Tribe of the Fort Yuma Indian Reservation:
Jason Mendoza
- K. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Dario Benjamin Joshua Callahan Wei Li
- L. Soboba Casino - Soboba Band of Luiseno Indians:
Brandi Beverly David Newman
- M. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
Kimberly Dawson
- N. Sycuan Casino - Sycuan Band of Diegueno Mission Indians:
Kevin Davidson Alfred Romero King Vuong
- O. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria
Curtis McCormack
- P. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
Farid Haddad Zackie Parker II
- Q. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
Dorothy Davis Darrell Yee
- R. Valley View Casino – San Pasqual Band of Digueno Mission Indians:
Matthew Thompson
- S. Viejas Casino & Turf Club - Viejas Band of Kumeyaay Indians:
Perla Rivera
17. Applications for Renewal Tribal-State Compact Key Employee Finding of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:
Robert Benkula Duane Fillmore William Lindner
Genaro Martinez Aaron Moss Toni Sundling
- B. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians:
Mazen Kasir Sounthone Khampanya Tay Khorn
Vinh Lao Francine Marsh Donald Nolen
James Phung Scott Tomlin Steven Watkins

- C. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
 Letitia Flores Ted Funkhouser Guy Galbois
 Phillip Mendoza, Jr. Billy Robertson Jared Ruiz
 Joseph Segovia Fidel Terrones, Jr. Michael Wied
- D. Colusa Casino and Bingo – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
 Thomas Brandon Corwin Lowe
- E. Diamond Mountain Casino – Susanville Indian Reservation:
 Ralph Olsen
- F. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:
 Charles Evarts Kimberly Ordiway
- G. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
 Michael Bigham Melodie Meyer Nelson Santana
- H. Paiute Palace Casino – Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony:
 Rodger Bosch
- I. Pala Casino – Pala Band of Mission Indians:
 Judith Collins Shelley Graves David Katzenbach
 Sarah Mazzola Christopher Ng Laura Sanchez
 Steven Suenaga Kevin Thompsen Steven Woodward
- J. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:
 Andrew Nichols
- K. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
 John Kennedy Debra Pacheco
- L. Santa Ysabel Casino – Santa Ysabel Band of Digueno Indians:
 Charles Bauman Elizabeth Osuna
- M. Sho-Ka-Wah Casino – Hopland Band of Pomo Indians of the Hopland Rancheria:
 Jeffrey Day Donna Sallady
- N. Soboba Casino - Soboba Band of Luiseno Indians:
 David Edwards Mishael Stone
- O. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
 Lazarus Smith
- P. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria
 Cameron Gomez Thomas Salazar
- Q. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
 Daniel Lopez Julie Reid
- R. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
 Charles Killian

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the agenda items 15, 16, and 17. 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 COMMENT

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

CLOSED SESSION:

Chairman Shelton called a Closed Session at 11:29 a.m. to discuss Colusa Indian Community v. State of California, Candace Cates v. Steve Westly and TDC Games, Inc. v. State of California.

RECONVENE TO OPEN SESSION:

Chairman Shelton reconvened the meeting to open session at 12:16 p.m.

ADJOURNMENT

Upon motion to adjourn the meeting by 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 meeting adjourned at 12:18 p.m.