

California Gambling Control Commission
2399 GATEWAY OAKS DRIVE, SUITE 220
SACRAMENTO, CA 95833
(916) 263-0700 FAX (916) 263-0499
www.cgcc.ca.gov

**MINUTES OF MAY 28, 2009
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:00 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. March 26, 2009
 - B. April 23, 2009

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 minutes for March 26, 2009 and April 23, 2009.

Tina Littleton, Deputy Director, Licensing Division recommended that the Commission table agenda items 4A, B, and C; as well as item 16T, Michelle Kaaihue.

Chairman Shelton and the Commissioners concurred and Items 4 A, B, C, and 16T were tabled.

4. Request for Approval of Loan Agreements, State Gambling Licenses and Conditions (Pursuant to Business and Professions Code sections 19901 and 19904):
 - A. Delta RE, LLC:*
 - B. Delta C, LP-Delta CM, Inc.: Delta Casino, Downtown and Delta Casino*
 - C. Delta C, LP, Fazel Mostashari, Shareholder*

No action was taken on Items 4.A. through 4.C., which was tabled at the request of staff.

5. Application for Approval for Initial State Gambling License (Pursuant to Business and Professions Code section 19851):

Commerce Casino: California Commerce Club, Inc.:
Timothy Gustin, Vice President/Casino Manager

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the initial state gambling license application for Timothy Gustin to be endorsed on the Commerce Casino Club, Inc's state gambling license. Commission staff has reviewed the Bureau's report and concurs 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 recommendation provided by the Bureau of Gambling Control.

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

A. Hollywood Park Casino: Century Gaming Management, Inc.
Leo Chu, Shareholder Ivy Chu, Shareholder

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the licensure period of June 1, 2009, through May 31, 2011 for Hollywood Park Casino.

Rod Blonien, Designated Agent, in response to Commissioner Vuksich's questions regarding the lease, indicated that the amount of rent has been the same for the past 5 years and the lease amount is being renegotiated.

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. Hustler Casino: El Dorado Enterprises, Inc. a California Corporation
Larry Flynt, Shareholder

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the licensure period of June 1, 2009, through May 31, 2011 for Hustler Casino.

Harlan Goodson, Designated Agent, in response to Commissioner Vuksich's questions concerning an increase in the calls for service, indicated that Hustler Casino is aware of the problem and is taking steps in their security procedures to mitigate as much of the problem as possible.

Chris Davis, Bureau of Gambling Control, indicated that Bureau staff contacted the Gardena Police Department and was told that past reports were filtered for casino specific service calls. However, the report given to the Commissioners this time, included calls not specifically related to the casino and that could account for the large increase in calls for service.

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. Old Cayucos Tavern: Old Cayucos Tavern, Inc.
Andrea Pulaski, Shareholder

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal state gambling license for the licensure period of June 1, 2009, through May 31, 2011 for Old Cayucos Tavern, continuing with the existing condition as follows:

- *This license is conditioned upon the local gambling ordinance coming into compliance with the Gambling Control Act (Business and Professions Code section 19860(a)(1)) within six months of issuance/renewal.*

Commissioner Shimazu indicated that the local ordinance has not been amended to comply with the Business and Professions Code.

Commissioner Vuksich questioned whether the locals were supportive of this business.

Chris Davis, Bureau of Gambling Control, indicated that staff has reviewed and approved the local ordinance proposal but it has not been heard by the local council.

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

D. Pastime Club:
Vernon Lemings, Sole Proprietor Mona Lemings, Community Property
Interest Holder

Deputy Director Tina Littleton indicated that staff recommended that the Commission extend the renewal state gambling license for the licensure period of June 1, 2009 through November 30, 2009 for Pastime Club.

Commissioner Vuksich questioned what would be determined at the conference hearing.

Deputy Director Littleton indicated that it was her understanding that they are requesting reconsideration of the city council voting to deny their request for a license.

Mona Lemings indicated that they go back to court on July 27, 2009 and then they will go before the city council.

Chairman Shelton indicated he had concerns that the city doesn't want the business and the State could not override the city. The Commission has given three extensions and still the city has not done much to move forward.

Evelyn Matteucci, Chief Counsel, indicated that the Commission extended the license in the past to afford the opportunity for the Lemings to appear at a court hearing. That is what staff is recommending now.

Chairman Shelton moved to extend the renewal state gambling license for the period of June 1, 2009 only through August 13, 2009 (*rather than November 30, 2009*) pending the court hearing and the results of the hearing. 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.

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

Empire Sportsman's Association: Empire Sportsmen's Association, Inc.
Gary Baird, President Debra Baird, Vice President

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the request to add three additional permanent tables for a total of eight tables. Commission staff has reviewed the Bureau's report and concurs with their recommendation.

Commissioner Vuksich moved to table item 7 until the license renewal application comes before the Commission in August 2009. The motion was seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

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

- A. Jacob Amburgey
- B. Darren Furtado
- C. Zachary Gerry
- D. Molly Lukenbill
- E. Mark Petlack
- F. Cristina Stephens

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications for a key employee personal portable licenses for the individuals listed in Items 8A through F. Commission staff has reviewed the Bureau's reports and concurs with their recommendations.

Commissioner Vuksich requested to discuss Item 8E separately. She had concerns regarding the number of bankruptcies the Commission is seeing in the applications. She

further indicated she understood the economy was rough and people have trouble paying their bills. However, she thinks the greater the number of those that fall into the application process, licensing process, the greater the possibility down the line that someone will succumb to pressure to display poor judgment in trying to take care of their own personal financial matters. She further indicated she applauded the employers who recognize the problems and work to help their employees. She hopes that the other employers will develop internal procedures to help their employees get over the economic hardships. In the case of Mr. Petlack, Commissioner Vuksich expressed concern regarding approving a Key Employee license for an individual who has clearly demonstrated a lack of judgment in his own finances.

Chairman Shelton indicated that the employers are taking the risk by hiring individuals who can't take care of their own money, to take care the of money for the business.

Chairman Shelton moved to approve the Bureau's recommendation for Item 8E 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.

Chairman Shelton moved to approve the recommendations for Items 8A, B, C, D and F 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.

9. Applications for Work Permits (Pursuant to Business and Professions Code section 19912):

A. Oceana Cardroom: Casey McCoy

B. The 101 Casino: Stephen Conyers Wendy McChesney

Deputy Director Tina Littleton indicated that the Bureau of Gambling Control recommended that the Commission approve the applications for a work permit for the individuals listed in Items 9.A. and 9.B. 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.

10. Application to Convert Gambling Business Player 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.: Aaron Robinson

11. 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):

Network Management Group, Inc.:

Players: Gilbert Arciosa

Wendy Bouathong

Summer Evans

Rachel Banski

Jeff Cheung

Angelica Gomez

Danith Ben

Lucinda Dobinson

Justin Howcroft

Bao Xia Kwong	Randall Lersch	Eva Ma
Michael McGuire	Brian Nguyen	Robert Romero
Marco Sanchez	Kimberly Singer	Kyle Terry
Jimmy Tran	Jared Williamson	

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 individuals listed in Items 10 and 11. Commission staff has reviewed the Bureau's reports and concurs 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 recommendation provided by the Bureau of Gambling Control.

12. 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):

Station California, LLC: Station Casino. Inc.:

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal finding of suitability for the period of June 1, 2009, through May 31, 2011.

Commissioner Vuksich asked how bankruptcy or restructuring, if it were to happen, would impact the license.

Debbie McLaughlin, Bureau of Gambling Control indicated that the Bureau would wait until the renewal process. The Chapter 11 filing would not have any effect on the existing license. The Bureau has checked to see if there has been a filing by Station California, LLC and they have not filed at this time.

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

CONSENT CALENDAR ITEMS:

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

A. Alexander Augusta	K. Andres Gomez	U. Patee McGuire
B. Angela Bennett	L. Eleanor Gonzales	V. Virginia McMahan
C. Ronnie Blackwell	M. Sammy Grande, Jr.	W. George Monsoor
D. Thomas Candy	N. James Heinemann	X. MarieClaire Moulet-Demery
E. Phyllis Caro	O. David Hiraga	Y. Clarissa O'Brien
F. Paul Chilleo	P. Taro Ito	Z. Lucrecia Ramirez
G. Joan Curato	Q. Alonzo Johnson	AA. Sandra Selzer
H. Nathan Deming	R. Carlos Lazo	BB. William Swint, Jr.
I. David Edwards	S. Brian Lin	CC. Joel Tonjes

- M. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
Susan Gates
- N. Pala Casino – Pala Band of Mission Indians:
Romeo Pasquariello
- O. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Richard Dominguez
- P. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:
Esther Lopez
- Q. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:
Ernesto Bojorquez Gomez
- R. Soboba Casino - Soboba Band of Luiseno Indians:
Luis Davila
- S. Sycuan Casino - Sycuan Band of Diegueno Mission Indians:
William Adams, Jr. Jesus Garcia
- T. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
Valentin Hernandez Michelle Kaaihue-**Tabled** Charles Lambrite
- U. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
Mary Meginness
- V. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:
Evan Lacy Lenora Manzano
- W. Win-River Casino – Redding Rancheria:
Sarah Spencer
17. Applications for Renewal Tribal-State Compact Key Employee Findings of Suitability (Authority Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Barona Valley Ranch Resort - Barona Band of Mission Indians:
Lowell Halkowitz Scott Schoen Christina Thomas
- B. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Anthony De La Cruz Rhonda Feemster Adrian Madrigal
Danny Otis Oscar Yeppez, Jr.
- C. Fantasy Springs Casino – Cabazon Band of Mission Indians:
Joshua Canon Ismael Felix Stephen Harding
Carol McGuffin
- D. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:
James Arnold Michael Bottoni Peter Bresciani
Michelle Castro Anna Do Richard Hay
Tiffany Maysee Colleen McCarthy Shari O'Neill
George Pate William Peat Judith Stephens
Jeff Tilley Gina Wittmayer
- E. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
Anh Tuyet Bui Emilie Geoffrion
- F. Viejas Casino & Turf Club - Viejas Band of Kumeyaay Indians:

Leonid Davydov Kenneth Gennaro
G. Win-River Casino – Redding Rancheria:
Brandon Hayward

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve agenda items 13, 14, 15, 16, and 17, with the exception of Item 16.T, Michelle Kaaihue, which had been tabled by staff. 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.

PUBLIC COMMENT

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

1. Deliberation on Decision on Reconsideration of a Denial (Government Code section 11126(c)(3)): Stipulated Settlement, Decision and Order: Timothy Eugene Stroud (DC No. 1059, OAH No. N2006110055)

By an agreement of the parties involved the proposed Stipulated Settlement agenda item was initially discussed in open session.

Bill Williams, Deputy Attorney General, Department of Justice, provided a summary of the proposed stipulated settlement and indicated that the Bureau believes a settlement is in the best interest of the people of California.

Steve Simas, Attorney for Timothy Stroud, provided a history of the administrative adjudication and indicated a settlement will avoid continuation of the administrative hearing process.

Commissioner Shimazu questioned the supplanting of the pending application and other provisions contained in the proposed stipulated settlement.

Steve Simas, Attorney for Timothy Stroud, indicated that there is an application pending and because the statute uses the term “an”, it’s their position, that the Commission will still be able to consider an application of another person, not “the” application of Mr. Stroud.

Chairman Shelton adjourned to Closed Session at 10:52 a.m.

RECONVENE TO OPEN SESSION:

Chairman Shelton reconvened the Commission at 11:03 a.m., with Commissioners Shimazu and Vuksich present.

Adeniyi ‘Wale Ayoade, Staff Counsel Specialist, read the following statement into the record: “In the matter of the statement of issues against Timothy Eugene Stroud’s

application for the state gambling license, DC No. 1059, OAH No. N2006110055. Upon deliberation of the Commissioners, the Commission voted unanimously not to approve the stipulation presented before the Commission today. Based on the terms of the stipulation, this matter would then go back to the reconsideration process”.

ADJOURNMENT

Upon motion to adjourn the meeting by 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 meeting adjourned at 11:05 a.m.