

**California Gambling Control Commission**

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**MINUTES OF JUNE 23, 2009  
REGULATION HEARING**

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**OPEN SESSION**

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:04 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. Final Adoption of Regulations Establishing Minimum Internal Control Standards (MICS) for Gambling Establishments: and Approval for filing with the Office of Administrative Law. (Amending Title 4, California Code of Regulations, Section 12360; Adopting Title 4, California Code of Regulations, Sections 12380, 12381, 12384, 12385, and 12386).

- General Terms, Conditions & Definitions; Policies & Procedures;
- Drop & Drop Collection;
- Count & Count Room Functions
- Cage Functions

James Allen, Regulatory Actions Manager, indicated that staff recommended the Commission adopt and approve for filing with the Office of Administrative Law (OAL), the final text of gambling establishment (cardroom) regulations for General Terms, Conditions & Definitions; Policies & Procedures; Drop & Drop Collection; Count & Count Room Functions; and Cage Functions [amend Title 4 CCR Section 12360 and adopt new Title 4 CCR Sections 12380, 12381, 12384, 12385 and 12386] and authorize staff to make necessary non-substantive changes that may be required by OAL during their review process.

Alan Titus, representing Artichoke Joe's, indicated he had two issues regarding the regulations: one was suggesting exclusion of live monitoring of the drop collection for tier 4 cardrooms and the other was to allow two security personnel to complete the drop collection.

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

4. Preliminary Commission Review and Consideration of Regulation: "Limitations on the Reopening of Closed Cardrooms" (Adopt Title 4, CCR Section 12350)

- Criteria and procedures for applications to reopen closed cardrooms pursuant to Business and Professions Code section 19963

Shannon George, Associate Governmental Program Analyst, indicated that agenda Item 4 concerns the proposed regulation regarding the limitations on reopening closed cardrooms and the item was before the Commission for discussion purposes only. Ms. George further indicated that this was the second Commission hearing regarding this proposed regulation and that the text had been revised pursuant to the Chairman's comments at the May 15, 2009, hearing. An Initial Statement of Reasons was not distributed with the text, as the proposal is for discussion purposes only. Ms. George pointed out that the most significant change to this draft is that it allows any person to apply for a state gambling license to reopen a closed cardroom, rather than just the original license holder, as long as the cardroom had a licensed owner as of December 31, 1999, or an owner whose application was on file with the department prior to September 1, 2000. Additionally, this version of the proposed regulation would place the primary authority to allow a closed cardroom to reopen with the local governing body of the applicable jurisdiction. With a state gambling license application, the applicant would be required to submit a formal resolution from the city council or board of supervisors supporting the reopening of the closed cardroom and indicating a willingness to issue a local license to the applicant, contingent upon the issuance of a state gambling license.

Discussion commenced on this item and the Commission heard comments from Alan Titus representing Artichoke Joes, Stephen Waldman, John Nyhan representing Tom Farrage, Reverend James Butler representing the Coalition Against Gambling Expansion, Arkan Somo, Brad Wasson representing the City of Sacramento, Mark Kelegian representing Crystal Casino, Jerry Haleva representing Bicycle Casino, Crystal Casino and Oceans 11 Casino, David Fried representing the California Grand Casino and the Oaks Card Club.

A transcript of this discussion is incorporated into these minutes as Attachment A.

## **ADJOURNMENT**

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 meeting was adjourned at 11:25 a.m.