

**California Gambling Control Commission**

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**MINUTES OF NOVEMBER 23, 2010  
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 Tiffany Conklin, James Shelby and Stephanie Shimazu present.

3. Approval of Commission Meeting Minutes for :  
October 21, 2010

Upon motion of Commissioner Shelby, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Conklin, Shelby and Shimazu voting yes, the Commission approved the October 21, 2010 meeting minutes.

Deputy Director Tina Littleton requested the Commission reschedule agenda item 16 and closed session item 2 due to a request from the designated agent, Robert Tabor, who is recovering from an accident and unable to attend the meeting. Upon concurrence of the Commissioners these items were rescheduled.

4. Request for Approval of Transfer of Shares (Pursuant to Business and Professions Code section 19892):

The Bicycle Casino: The Bicycle Casino, LP  
Walter Lack (Seller)  
The Bicycle Casino, LP (Buyer)

Staff Counsel Russell Johnson recommended the Commission approve the transfer of general and limited partnership interests from Walter Lack to the Bicycle Casino, LP and retain Mr. Lack as an endorsed licensee as a financial interest holder

through the remainder of the term of the promissory note between Mr. Lack and the Bicycle Casino, LP or until full payment has been rendered.

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

5. Application for Approval of Initial State Gambling License (Pursuant to Business and Professions Code sections 19851& 19852; and, CCR, Title 4, section 12342(a)(8)):  
Delta Casino and Delta Casino, downtown: Delta C, LP, Delta CM, Inc. GP  
Nader Tafty, Shareholder

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

Mr. Harlan Goodson, representing Nader Tafty, indicated that Mr. Tafty had objections to certain portions of the Bureau's report. Mr. Goodson presented two objections. The first objection was in regards to the reported delays in providing financial information. Mr. Goodson stated that there were mitigating circumstances. Mr. Tafty's bank was seized by the government and sold, and the new bank was unable to produce the requested documents. The second objection was the reported inability to substantiate through bank records, two loans, specifically the \$180,000 loan from Mr. Marcarian to purchase the 33% interest in the cardroom, as well as the \$55,000 line of credit used to purchase the real estate. Mr. Goodson further indicated that the \$180,000 loan document was brought before the Commission and approved and the terms were known to the Commission and the Bureau. There are no bank records of repayment because there was no actual transfer of money. The loan was repaid out of the distributions to Mr. Tafty. Additionally, Mr. Goodson stated a question arose regarding the \$55,000 check used to pay Mr. Mostashari for his interest in the club, because of the differing dates on the front and back of the check. Mr. Goodson stated that it was nothing more than a simple mistake. Mr. Goodson commented that the Bureau is asserting that the gaps in records and the failure to be able to trace the source of funds, indicates that there may be undisclosed financial sources. Mr. Goodson stated that the Bureau has no proof and requested the Commission reject that position from the Bureau. In conclusion, Mr. Goodson indicated that Mr. Tafty is requesting an evidentiary hearing and requested the Commission extend Mr. Tafty's temporary license to allow for the sale of his interest in the cardroom.

Chairman Shelton indicated that the temporary license of Mr. Tafty was not on the agenda; therefore, could not be considered.

Mr. Nader Tafty addressed the Commission and stated that the whole investigation had been completely devastating to him personally. He stated that he provided

information that was requested and sometimes more than what was requested to facilitate the investigation. Mr. Tafty stated that the Bureau ignored evidence given to them and that their report is incorrect. Mr. Tafty further commented that this does not reflect who he is and that this is not justice. Mr. Tafty concluded by stating that justice is a constitutional right and that is what he is asking for from the Commission.

Mr. Robert Burge, Bureau of Gambling Control indicated that they were interested in two loans, \$180,000 for the cardroom and \$55,000 for the real estate. Mr. Burge indicated that they did not even have the details to determine if the \$180,000 loan repayment included simple interest or not. Mr. Burge further indicated what concerned the Bureau more was the \$55,000 loan which was much more complicated. It appeared that, Mr. Tafty borrowed the money from a relative and used a line of credit for that amount. Upon examination of Mr. Tafty's bank accounts, payments to Mr. Mostashari were a year prior to the date Mr. Tafty said he borrowed the money. Specifically, Mr. Tafty received a \$50,000 payment in September of 2008 which he used to pay Mr. Mostashari. When Mr. Tafty was asked to provide the check, he said he couldn't recall where he got the \$50,000. Mr. Burge argued that the Bureau had received conflicting statements and conflicting evidence regarding the source of the funds. Additionally Mr. Burge stated there were large sums of money going into Mr. Tafty's account, which Mr. Tafty stated were reimbursement costs for construction fees. Mr. Burge indicated that Mr. Tafty is not cash rich and he would have required to be fronted the money first, to pay the construction costs. Mr. Burge further indicated that Mr. Tafty stated he was paid \$5,000 a month for consulting fees, yet there was no supporting documentation and it was not reported on his tax return. Mr. Burge summarized by stating that there were many discrepancies, conflicting evidence and unsubstantiated source of funds.

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

6. Requests for Approval of: A) Renewal of State Gambling License; B) Initial State Gambling License; and, C) Transfer of Shares (Pursuant to Business and Professions Code sections 19876, 19851, 19852, and 19892; and, CCR, Title 4, Section 12342(a)(8)):

- A. Hawaiian Gardens Casino: Hawaiian Gardens Casino, Inc.
  - Dr. Irving Moskowitz, Shareholder
  - Cherna Moskowitz, President, Secretary,  
Treasurer,  
Shareholder
  - David Moskowitz, Chief Executive Officer
- B. Hawaiian Gardens Casino: The Moskowitz Joint Revocable Living Trust
  - Dr. Irving Moskowitz, Trustee, Trustor
  - Cherna Moskowitz, Trustee, Trustor
- C. Hawaiian Gardens Casino: The Moskowitz Joint Revocable Living Trust

Deputy Director Tina Littleton indicated that staff recommended A) that the Commission approve the renewal application for the licensure period of December 1, 2010 through November 30, 2012; B) approve the initial Trust applications; and, C) approve the transfer of shares into the Trust.

Upon motion of Chairman Shelton, seconded by Commissioner Shelby and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Conklin, Shelby and Shimazu voting yes, the Commission approved the staff recommendation for items 6A through 6C.

7. Requests for Approval to Remove Condition(s) from State Gambling License (Pursuant to Business and Professions Code section 19824(b)):  
A. Casino 580: Casino 580, LLC

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the removal of the following condition, as all documents have been received:

*Within 60 days of approval Casino 580, LLC must provide a copy of the following to both the Commission and Bureau:*

*Patron Security and Safety Plan;  
Business License;  
Emergency Preparedness and Evacuation Plan; and,  
Chart of Accounts.*

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

- B. Diamond Jim's Casino: Wizard Gaming, Inc.

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the removal of the three conditions endorsed on Wizard Gaming, Inc.'s state gambling license which are as follows:

- 1. Until the Commission has had an opportunity to make an informed decision regarding the Mexican "felony conviction" of George Hardie Jr., beneficiary of the Zephyr Inter Vivos Trust (Trust), no funds or other assets shall be distributed from Wizard Gaming, Inc. or Diamond Jim's Casino to the Trust or George Hardie Jr., unless by prior approval of the Commission. This condition does not prevent the cardroom or Wizard Gaming, Inc. from distributing adequate funds to George Hardie Jr. or the Trust to satisfy the Trust's taxes, assessment or any other obligation, which may be due and payable by the Trust from Wizard Gaming, Inc. or the cardroom's operation.*

2. *Pursuant to B&P code sections 19930(a)(b), 19826(b)(c), and Title 4, CCR section 12550(d)(4), the Commission directs the Bureau to investigate and make recommendation on the information received by the Commission regarding the "felony conviction" of George Hardie Jr. in Mexico in order to determine whether Commission action is required or whether an emergency order could be issued in order to preserve the public peace, health, safety, or general welfare.*
3. *The Commission requests George Hardie, Jr. or his designated agent (Harlan Goodson) to provide the Commission and Bureau information or documents pertaining to the felony conviction of George Hardie Jr. and the ongoing "appeals" in Mexico so the Commission and Bureau may determine whether any action of the Commission is required.*

Mr. Harlan Goodson, representing George Hardie, Jr. indicated that the conditions were placed on the license to provide the Department of Justice an opportunity to investigate the, then, felony conviction of George Hardie, Jr. in Mexico and to provide a report to the Commission with a recommendation. The result of the investigation, the Bureau concluded, was that, there was insufficient evidence to support the allegations brought subsequently by Mr. Blackman against Mr. Hardie, Jr. and that there was no basis for any action. Mr. Goodson further indicated that on November 18, 2010, Mr. Blackman communicated a letter to the Commission objecting to a number of things including the removal of the conditions. Mr. Goodson objected to the use of the letter on the basis that it constitutes an ex parte communication in violation of 19872 (e) of the Business and Professions code.

Chief Counsel Joe Dhillon indicated that 19872 (e) has been complied with and will go on the record that, the fact that staff shared it with Mr. Goodson, and that Mr. Goodson submitted a response, which has been provided to the Commissioners for consideration, demonstrates that either there was no violation of the act or that it was cured through Mr. Goodson's participation in the communication.

Mr. Goodson indicated that in Mr. Blackwell's letter there is an allegation that there is a violation of the first condition on Wizard's license and it has occurred as a result of a lawsuit Mr. Hardie filed in Kern County. Mr. Goodson expressed objection to that interpretation, on the basis that, the conditions cannot and do not restrict or negate any other right afforded to Mr. Hardie in the other provisions of law. The Probate Code grants Mr. Hardie, as a beneficiary of a trust, the right to an accounting which is the basis for the lawsuit. Mr. Hardie is alleging a breach of that duty with respect to the trustee and there are no violations of conditions.

Commissioner Shimazu indicated that what Mr. Goodson was presenting were issues that need to be considered when looking at the license, however, today, the Commission was only considering the removal of the current conditions.

Allen Isaacman, representing Wizard Gaming, Inc., indicated that they believe the conditions on Wizard Gaming, Inc. should remain, pending the consideration of the license renewal. Mr. Isaacman presented a review of information regarding the incident in Mexico involving Mr. Hardie and indicated that the facts are certainly relevant in determining the suitability of Mr. Hardie to continue to have a license. Mr. Isaacman commented that there are regulations that proscribe even a misdemeanor and a specific regulation that deals with committing a crime while operating a gambling establishment. In this case, there was a crime committed in the course of operating a gambling business. Additionally, Mr. Isaacman presented highlights of information they had provided to the Bureau regarding financial issues of Mr. Hardie, Jr. Lastly, Mr. Isaacman indicated that the case filed by Mr. Hardie, Jr. in Kern County is asking Wizard be ordered to; produce financial records which is a violation of the condition that the Commission put on Mr. Hardie, Jr. which states that he is not allowed to review any financial records. Mr. Isaacman continued that Mr. Hardie, Jr. is also seeking to hold officers of Wizard liable for the decisions they made in operating the casino. Mr. Isaacman stated that, that is also a violation of conditions put on Mr. Hardie, Jr. Mr. Isaacman further urged the Commission to keep the conditions in place to preserve the status quo until the renewal is considered by the Commission.

Chairman Shelton moved to retain the current conditions endorsed on Wizard Gaming's state gambling license. The motion was seconded by Commissioner Conklin and failed to carry with Chairman Shelton and Commissioner Conklin voting yes and Commissioners Shelby and Shimazu voting no.

C. Silver Fox: The Silver F, Inc.

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the removal of the two following conditions, as all documents have been received:

1. *Provide proof of the close of escrow within ten (10) days of escrow closing.*
2. *Within 60 days of approval of provide a copy the following to both the Commission and Bureau:*
  - Patron Security and Safety Plan;*
  - Business License;*
  - Emergency Preparedness and Evacuation Plan;*
  - Chart of Accounts; and*
  - Amended Articles of Incorporation Filed with the Secretary of State.*

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

D. The Bicycle Casino: The Bicycle Casino, LP

Deputy Director Tina Littleton indicated staff recommended the Commission approve the removal of the condition currently imposed on Mr. Cezanne Farris-Gilbert's endorsement as follows:

*The transfer of shares is approved with the condition that Mr. Farris-Gilbert agrees to undergo an updated background investigation.*

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

8. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854):
- A. Darlene Calhoun
  - B. Richard Danisi
  - C. Manuel Moreno
  - D. Hyuk Jin Sung

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the personal key employee license applications in items 8A through 8D. Staff has reviewed the Bureau's reports and concurred with their recommendation and recommended approval through November 30, 2012. Staff further recommended a condition to be placed on Mr. Sung's (item 8D) license as follows:

*Beginning January 1, 2011 and every 180 days thereafter, Mr. Sung must submit to the Commission a written update concerning the issue of the outstanding delinquent credit accounts currently in collections and the outstanding small claims judgment.*

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

9. Application for Approval of Renewal of Third Party Provider of Proposition Services/ Gambling Business License (Pursuant to CCR, Title 4, sections 12218.8 and 12238)  
Gaming Fund Group, Inc.: Nevada Corporation\*

Deputy Director Tina Littleton indicated staff recommended the Commission approve the renewal applications for the remainder of the licensure period through

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September 30, 2012, continuing with the following conditions with the exception of Mr. Tony Pourmohamad's application:

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.*
3. *Any future involvement between Gaming Fund Group, Inc. and James Aiello's or TAJA Enterprises or any other gaming business relationship with James Aiello be approved in advance by the Commission.*
4. *Gaming Fund Group, Inc. shall not allow TAJA Enterprises to have any influence or control over Gaming Fund Group, Inc. operations.*
5. *Any further negotiations by Gaming Fund Group, Inc. 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.*

Deputy Director Tina Littleton further indicated staff recommended the Commission extend Mr. Pourmohamad's endorsement through February 28, 2011 to allow staff time to review follow-up information provided by the Bureau.

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

10. Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services /Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to CCR, Title 4, sections 12218 and 12233):

A. Gaming Management, LLC:

Supervisor: Michael Hartley

Players: Tito Mancera

Loren Sjostrom

Natasha McAlvain

Sha Song

Selena Mesta

Brandon Tiffany

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the conversion applications. Staff has reviewed the Bureau's reports, concurred with their recommendation; and, recommended approval through November 30, 2012.

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

B. Pacific Gaming Services, LLC:  
Supervisor: Mostafa Nematbakhsh

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the conversion application. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through November 30, 2012.

Rod Blonien, representing Mr. Nematbakhsh, indicated that apparently there were some concerns regarding Mr. Nematbakhsh's loss of a large sum of money seven years ago through gambling. Mr. Blonien further indicated that Mr. Nematbakhsh has attended two years of Gamblers Anonymous and 15 to 20 sessions with a psychiatrist in the San Diego area. Mr. Blonien stated that Mr. Nematbakhsh has been employed with Pacific Gaming Services, LLC for six years and prior to that BJ Gaming.

Commissioner Conklin stated she had concerns that Mr. Nematbakhsh gave written statement that he is still gambling.

Mostafa Nematbakhsh addressed the Commission and indicated that he just plays a little bit of poker at the cardroom. He stated he doesn't do heavy gambling; he just didn't want to lie on his application. Mr. Nematbakhsh stated he knew he was in trouble previously with gambling which at the time was a result of stress brought about by his wife's illness, however, he now exercise control.

Commissioner Conklin asked Mr. Nematbakhsh if there were certificates available from Gamblers Anonymous and did Mr. Nematbakhsh have a sponsor.

Mr. Nematbakhsh indicated that one is not forced to go to gamblers anonymous and that the main thing is that one realizes there is a problem, which he did. Mr. Nematbakhsh continued stating that sometimes he attended meetings more than once a week, he read books and Dr. Pike helped him. Mr. Nematbakhsh explained that there are no sponsors; one goes to Gamblers Anonymous on their own.

Chairman Shelton expressed his concern about the ability of a person to, "just do a little gambling," when they know they have a problem. Chairman Shelton stated that Mr. Nematbakhsh's bosses liked him and wanted to promote him; however, the Chairman questions why Mr. Nematbakhsh is in the gambling business.

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

11. Applications for Approval of Initial Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5):

- A. Meczka Marketing/Research/Consulting, Inc.: Michael Meczka, Owner,  
President, Director  
Dona Browne, Vice President,  
Chief, Financial Officer,  
Treasurer, Corporate Secretary
- B. TekWorks, Inc.: William Bourgeois, Owner, President, Treasurer, Chief  
Financial Officer, Secretary, Director

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the finding of suitability applications in items 11A and 11B. Staff has reviewed the Bureau's reports, concurred with their recommendation; and, recommended approval through November 30, 2012.

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

12. Request for Approval to Withdraw Application of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to Business and Professions Code section 19869):

- Coinmaster USA, Inc.: Paul A. Cox, President, Chief Executive Officer, Treasurer,  
Director, Shareholder  
Mary Cox, Secretary

Deputy Director Tina Littleton indicated staff recommended the Commission approve the request to withdraw without prejudice.

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

13. Request for Recognition of Eligibility to Conduct Remote Caller Bingo Games (Pursuant to Penal Code section 326.3; and, CCR, Title 4, section 12504):

Desert Hot Springs Lodge No. 2639, Benevolent and Protective Order of Elks,  
Desert Hot Springs, CA

14. Applications for Approval of Renewal Interim State License for Bingo Manufacturers and Distributors (Pursuant to Penal Code section 326.5; and, CCR, Title 4, section 12492):

- A. Five-0-One Services, Inc.: Jeffrey A. Lessin, President, Treasurer, Secretary,  
CEO, Director, Shareholder
- B. Nevada Madison Capital Corporation: Madison Capital Corporation

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David A. Faccaini, President, Treasurer,  
Secretary, CEO, Director, Shareholder

C. Planet Bingo, LLC: Rick G. White, President, CEO, Member

Deputy Director Tina Littleton indicated staff recommended the Commission approve the applications in items 13 and 14A through 14C for the licensure period with the following conditions for 14A through 14C:

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 Commissioner Shelby, seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Conklin, Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

15. Application for Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5; Business and Professions Code sections 19824 & 19825; and, CCR, Title 4, section 12050): Stipulated Settlement, Decision and Order:

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In the Matter of the Statement of Issues against Kevin Freels and New Gaming Systems, Inc. (OAH Case No. 2009090804, BGC Case No. DGC015001)

Staff Counsel Paras Modha indicated that counsel for the applicant was present if there were any questions before deliberations.

John Panneton, representing New Gaming Systems, Inc. introduced himself.

There were no questions from the Commissioners at this time.

16. Application for Renewal of State Gambling License (Pursuant to Business and Professions Code sections 19824, 19870 & 19871; and, CCR, Title 4 section 12050):

Stipulated Settlement, Decision and Order:

In the Matter of the Statement of Issues against Gloria Gutierrez, Sole Proprietor Gloria's Lounge & Casino

This item was rescheduled to December 9, 2010.

**CONSENT CALENDAR ITEMS:**

17. Applications for Approval of Renewal Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854.

David La

18. Applications for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):

Nineteenth Hole: David Whatley

19. Applications for Approval of Renewal Work Permit (Pursuant to Business and Professions Code section 19912):

A. Napa Valley Casino: Jacob Crawford Arlen Gregorio Mark Kreuziger

B. Oceana Cardroom: Janet Svoboda

C. Poker Flats Cardroom: Sao Her

20. Applications for Approval of Renewal of Third Party Providers of Proposition Player Services/Gambling Business Supervisor/Player Licenses (Pursuant to CCR, Title 4, sections 12218.8 and 12238).

Gaming Management, LLC:

Players: Terrina Cooper

Johnson Inthavong Sean McMahan

Davince Paul Ramirez

Kimberly Wong

21. Applications for Approval of Initial Tribal-State Compact Key Employee Findings of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):

A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:

Kim Bond

Iris Carruthers

Robert Cherry

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- |                   |                        |                      |
|-------------------|------------------------|----------------------|
| Fu Chou           | Gregory Davids-Vecchia | Alexes De Asis, Jr.  |
| Christopher Dodge | Ruth Fernandez         | Steven Finley        |
| Victor Fortenbach | Clayton Freeman        | Scott Gibson         |
| Joel Giovannoni   | Elizabeth Gonzales     | Daniel Hartzler      |
| Cecilia Hirata    | Russell Holcomb        | Walter Hyde          |
| Scott Kelly       | Evelyn Marquez-Paet    | Angela Marsteiner    |
| Gary McCool       | Alfredo Pasion         | Vincent Petillo, Sr. |
| Novelynn Ramos    | Lance Sadler           | Janet Sorrentino     |
| Mark Spino        | Gilberto Taira-Diaz    |                      |
- B. Barona Valley Ranch Resort & Casino - Barona Band of Mission Indians:  
Rowell Felicitas                      Rick Gutierrez
- C. Bear River Casino - Bear River Band of the Rohnerville Rancheria:  
Paul Valles
- D. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria:  
Christoph Phipps
- E. Cache Creek Casino Resort – Yocha Dehe Wintun Nation:  
Samuel Evans
- F. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:  
Aimee Russell                      Sally Sary
- G. Fantasy Springs Casino – Cabazon Band of Mission Indians:  
Joel Nevarez
- H. Golden Acorn Casino and Travel Center – Campo Band of Diegueno Mission Indians:  
Erick Ramirez-  
Macias
- I. Harrah’s Rincon Casino & Resort – Rincon Band of Luiseno Indians:  
Tuong Doan
- J. Mono Wind Casino – Big Sandy Rancheria Band of Western Mono Indians:  
David Reynolds
- K. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:  
Rolimar Castilian                      Alex Rodriguez
- L. Pit River Casino – Pit River Tribe:  
Lamont Maldonado
- M. Quechan Casino Resort - Quechan Tribe of the Fort Yuma Indian Reservation:  
Terri Lawrence
- N. Red Earth Casino – Torres-Martinez Band of Cahuilla Mission Indians:  
Terrance Duarte
- O. Red Hawk Casino – Shingle Springs Band of Miwok Indians:  
Rebecca Cook                      Richard Lee                      Thomas Liquia  
Hoa Nguyen                      Michael Paso                      Nicholas Pavlovich  
Mark Rahill                      Jessica Roofener                      Douglas Walters
- P. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:

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- William King                      Ryan Winn
- Q. Robinson Rancheria Bingo and Casino – Robinson Rancheria of Pomo Indians:  
Andrew Chantri                      Elizabeth Nix                      Michael Willard
- R. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission  
Indians of the San Manuel Reservation:  
Lisa Craddock                      Julian Gonzales
- S. Sho-Ka-Wah Casino – Hopland Band of Pomo Indians of the Hopland Rancheria:  
James Thompson
- T. Soboba Casino - Soboba Band of Luiseno Indians:  
Blaise Linden                      Kari McCracken                      Claude Price
- U. Table Mountain Casino - Table Mountain Rancheria:  
Brian Rankin
- V. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa  
Rancheria:  
Tyler Aragon                      Veda HOUNGVIENGKHAM                      Thai Lee  
Karen Mendes
- W. Thunder Valley Casino - United Auburn Indian Community of the Auburn  
Rancheria:  
William Burtch                      Chio Saechao
- X. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:  
Linda Bohard
22. Applications for Approval of Renewal Tribal-State Compact Key Employee Findings  
of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.4):
- A. Agua Caliente Casino – Agua Caliente Band of Cahuilla Indians:  
Karen Kilian
- B. Augustine Casino - Augustine Band of Cahuilla Mission Indians:  
Janette Kelley                      Billy Ream, Jr.                      Kathy Tran  
John Winters
- C. Barona Valley Ranch Resort & Casino - Barona Band of Mission Indians:  
Rodrigo Acero Chacon                      Rafael Alvarez                      Juan Armenta  
Roger Ball                      Mikle Brooks                      Barbara Dennstedt  
Eldon Felipe                      Christopher Harris                      Thomas Harwood  
Charles Hickey                      Robert Hinrichs                      David Howell  
Joshua Jennings                      Gabriel Kitchen                      Lausannah Knies  
Victor Li                      Lloyd Lumba                      Tina Maize  
Iris Meyrick                      Collin Mills                      Cindie Perrine  
Kristin Romeo                      Adam Sanchez                      Teodora Sanchez-Romero  
Lee Skelley                      Janice Welch                      Cheri Wisler
- D. Black Oak Casino – Tuolumne Band of Me-Wuk Indians of the Tuolumne  
Rancheria:  
Mary Miller
- E. Blue Lake Casino - Blue Lake Rancheria:  
Enell Fromel
- F. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi  
Indians:

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- |               |                 |                   |
|---------------|-----------------|-------------------|
| Monique Ayers | Tresa Baughman  | Richard Cooper    |
| Jared Kerbow  | Joyce Markle    | John Soares       |
| Kristin Sousa | Douglas Thigpin | Oscar Yeppez, Jr. |
- G. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
- |                  |                 |                    |
|------------------|-----------------|--------------------|
| Brandy Franco    | Beth Greene     | Eunice James       |
| David Lake       | Ismael Martinez | Stephanie Martinez |
| Benjamin Zitello |                 |                    |
- H. Colusa Casino and Bingo – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
- |                |                 |  |
|----------------|-----------------|--|
| Allen Burrious | Clara Espindola |  |
|----------------|-----------------|--|
- I. Eagle Mountain Casino – Tule River Indian Tribe of the Tule River Reservation:
- |               |             |  |
|---------------|-------------|--|
| Rose Gonzalez | Eric O’Neil |  |
|---------------|-------------|--|
- J. Elk Valley Casino – Elk Valley Rancheria:
- |                |                      |  |
|----------------|----------------------|--|
| Norene Darnell | Mary Helen Rodriguez |  |
|----------------|----------------------|--|
- K. Fantasy Springs Casino – Cabazon Band of Mission Indians:
- |                  |                 |                    |
|------------------|-----------------|--------------------|
| Joseph Cavalieri | Dulce Fernandez | Brandon Stephenson |
| Kimber Young     |                 |                    |
- L. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:
- |                   |                    |              |
|-------------------|--------------------|--------------|
| Gloria Adkins     | Natalie Gambol     | John Jenkins |
| Robert Mackenberg | Russell Montgomery | San Saechao  |
- M. Lucky Bear Casino – Hoopa Valley Tribe:
- Tyson Dempewolf
- N. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:
- |               |                |               |
|---------------|----------------|---------------|
| Dennis Cooper | Jason Kendrick | Muriel Larson |
| Eric Nash     | Roxanne Shenah | Chon Vang     |
- O. Pala Casino – Pala Band of Mission Indians:
- |                   |                  |                     |
|-------------------|------------------|---------------------|
| Enrico Butta, Jr. | Qi Da            | Jesus Debaran       |
| Annett Espiritu   | Michael Kaahanui | Mary Blaze Watchorn |
- P. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:
- |                 |                   |                          |
|-----------------|-------------------|--------------------------|
| Joshua Callahan | Tony Corkhill     | Daniel Higginbotham, Jr. |
| Stacie Racho    | Santos Reyes, Jr. | William Rogers           |
| George Rojas    | Renee Schinkowsky | Carl Thiele              |
- Q. Robinson Rancheria Bingo and Casino – Robinson Rancheria of Pomo Indians:
- Carl Anderson
- R. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:
- |                 |                   |                    |
|-----------------|-------------------|--------------------|
| Adriana Alvarez | Nicholas Do       | Toy Ferrante       |
| Michael Field   | Steven Lengel     | Virginia Radwanski |
| Gary Vanderplow | Erick Vargas-Diaz | Gregory Williams   |
- S. Soboba Casino - Soboba Band of Luiseno Indians:
- |                  |               |                   |
|------------------|---------------|-------------------|
| Jason Cozart     | Claudia Felix | Sherry Harbour    |
| Nicholas Kalivas | Paul Nelson   | David Newman, Jr. |
| Robert Trostle   |               |                   |
- T. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:

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- |                   |                    |                  |
|-------------------|--------------------|------------------|
| Catherine Lumanog | Laurence Stevenson | Anthony Trujillo |
|-------------------|--------------------|------------------|
- U. Sycuan Casino & Resort- Sycuan Band of the Kumeyaay Nation:
- |                 |                   |                   |
|-----------------|-------------------|-------------------|
| William Adams   | Michael Alexander | Glenn Barry       |
| Eumel Brosas    | Romeo Buensuceso  | Alan Buna         |
| Erik Carter     | Theresa Chan      | Randy Clymire     |
| Travis Elliott  | Nang Fang         | Denise Giblin     |
| Roger Haboriles | Amie Hoffman      | Erik Isner        |
| Minerva Leano   | Milagros Logan    | Samantha McDonald |
| Lucy Murillo    | Maybelyn Nagfalon | Wendy Reeve       |
| Paul Revak      | Anita Stevenson   | Marion Tonnaer    |
| Victor Trevino  |                   |                   |
- V. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
- |                     |               |                 |
|---------------------|---------------|-----------------|
| James Gallaway, III | David Garcia  | Putheavy Hunt   |
| Wayne Lantz         | Gary Milligan | Stanley Osborne |
| Frances Palomo      | Teap Rorn     | Victor Vargas   |
| Flordeliza White    |               |                 |
- W. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:
- |                |                |               |
|----------------|----------------|---------------|
| Eric Cung      | Keith Everett  | Thomas Hunter |
| Ying Lee       | Chanda Meykeo  | George Ninh   |
| Duane Ryzner   | Joseph Saenz   | Kao Saepanh   |
| Chiew Saeteurn | Philip Sweeney | Pheap Teap    |
| Noland Thomas  |                |               |
- X. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
- |               |                |             |
|---------------|----------------|-------------|
| Dorothy Davis | Brian Hunt     | Donna Ross  |
| Taya Ticen    | Serena Velarde | Darrell Yee |
- Y. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:
- |                   |                  |                 |
|-------------------|------------------|-----------------|
| Anthony Backus    | Jennifer Bryant  | Robert Garcia   |
| Angelina Granillo | John Johnston    | Anthony Kelly   |
| Efren Leal, III   | Charles Matanane | Terrance Scaife |
| Borzu Shahryari   | Joel Smith       | Jody Warring    |

Deputy Director Tina Littleton indicated staff recommended the Commission approve items 17, 18, 19, 20, 21, and 22.

Chairman Shelton requested Mr. Lamont Maldonado to address the Commission and asked him if he had payment records to indicate he was current on his family support payments.

Lamont Maldonado stated he was up to date and that he did have records to indicate it.

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

**PUBLIC COMMENT**

Rod Blonien, representing Hemphill's and Mr. Timothy Long indicated that Mr. Long was before the Commission in May. At that meeting, Commissioner Shelby had some questions relating to a \$400,000 loan to Mr. Long's roofing company and in addition, there were some allegations made by a competing cardroom relating to some monies that were owed and the Commission asked the Bureau to look into those matters. Mr. Blonien further indicated that recently Mr. Long was asked by the Bureau for another \$5,000 to continue their investigation; however, on January 6, 2011, the regulations relating to Business and Profession code 19963 will take effect and those regulations will preclude the licensing of Mr. Long and Hemphill's, since Mr. Long was not the previous owner. The last licensed owner was Mr. Long's father's estate which closed a number of years ago. Additionally Mr. Blonien requested the matter be placed on the December 9, 2010, agenda or the Commission would be precluded from considering the matter. Mr. Blonien requested the Commission issue a temporary license to Hemphill's and Mr. Long so that the Commission will have the opportunity to issue him a permanent license if the Commission wishes to do so, after receiving the supplementary information from the Bureau of Gambling Control. Mr. Blonien summed by indicating Mr. Long is in a position to: 1) do nothing and lose a substantial asset, 2) ask for a temporary license to keep him in consideration, 3) contest the regulation, which he does not want to do.

Kyle Kirkland addressed the Commission on behalf of item 16 and indicated he would answer any questions.

**CLOSED SESSION**

Chairman Shelton recessed the Commissioners to closed session at 10:57 a.m. to discuss the following item:

1. Deliberation on Decision (Government Code section 11126(c)(3)):  
Stipulated Settlement, Decision and Order:  
In the Matter of the Statement of Issues against Kevin Freels and New Gaming Systems, Inc. (OAH Case No. 2009090804, BGC Case No. DGC015001)

**OPEN SESSION:**

Chairman Shelton returned the Commissioners to open session at 11:12 a.m.

Chief Counsel Joe Dhillon indicated the Commission took no action on the proposed stipulated settlement.

**ADJOURNMENT**

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Conklin, Shelby and Shimazu voting yes, the meeting was adjourned at 11:13 a.m.

DRAFT