

California Gambling Control Commission

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**MINUTES OF JULY 8, 2010
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 James Shelby and Stephanie Shimazu present.

3. Approval of Commission Meeting Minutes for :

- A. May 27, 2010
- B. June 10, 2010

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes, the Commission approved the meeting minutes for May 27 and June 10, 2010.

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

- A. Poker Flats Casino: Terry Vargas, Sole Proprietor

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license application for the period of August 1, 2010 through July 31, 2012.

Commissioner Shimazu requested verification of the renewal of the business license. Deputy Director Littleton responded that she had verified that it was renewed until September 30, 2010.

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

B. The Silver Fox: The Silver F., Inc.

Kenneth Worsham, Shareholder, President, CFO, Secretary
Shirley Worsham, Community Property Interest Holder

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license application for the period of August 1, 2010 through July 31, 2012.

Commissioner Shelby indicated that some reports mention the 2009 financial report and other reports do not. He requested verification of the receipt of the financial reports. Deputy Director Littleton confirmed that the 2009 financial reports were submitted.

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

5. Request for Approval to Withdraw Application for a State Gambling License (Pursuant to Business and Professions Code section 19869):

Cameo Club: Lewis and Lewis, Inc.

John Park, Shareholder, President, Secretary, Treasurer

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the withdrawal request without prejudice.

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

6. Requests for Approval of a Reduction of Permanent Authorized Tables (Pursuant to California Code of Regulations, Title 4, section 12359):

Hawaiian Gardens Casino: Hawaiian Gardens Casino, Inc.

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the request for the reduction of 15 authorized permanent tables leaving a total of 175 tables.

Chairman Shelton requested staff provide the Commissioners with a report indicating the addition or reduction of tables for all the cardrooms.

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

7. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(d)):
- A. Terry Davis
 - B. Malcom Glover II
 - C. Derek Golphenee
 - D. Kenneth Hom

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the personal key employee license applications for the applicants in Items 7A through 7D. Staff has reviewed the Bureau's reports, concurred with their recommendations; and, recommended approval through July 31, 2012.

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

8. Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services/ Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to California Code of Regulations, Title 4, sections 12218 and 12233):
- A. California Gaming Consultants:
 - Players: Brian Biggs Sophanna Uy
 - B. Gaming Fund Group, Inc.:
 - Player: Stacy Ngo
 - C. Gaming Management, LLC:
 - Players: Larry Anderson Sheila Buxton Nelson Delgado
 - Eden Fite Steven Gates Emilia Hernandez
 - David Hinojosa Natasha Jarvis Nicole Jones
 - Scott Rowe Olena Shapovalova
 - D. Network Management Group, Inc.:
 - Player: Ka Ngai

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the Third Party player and supervisor applications in Items 8A through 8D. Staff has reviewed the Bureau's reports, concurred with their recommendations; and recommended approval through July 31, 2012.

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners

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Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

9. Requests for Approval to Withdraw Applications to Convert Third Party Providers of Proposition Player Services/Gambling Business Registration to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, sections 12218 and 12234):
 - A. California Gaming Consultants: Dog Named Blue, Inc.
Rick Baldaramos Trust
Richard Baldaramos, Trustor, Trustee,
Beneficiary

Deputy Director Tina Littleton indicated that staff recommended the Commission deny the request to withdraw which will allow the completed investigation to come before the Commissioners for consideration.

Cy Rickards, representing California Gaming Consultants, indicated Mr. Baldaramos operates as Third-Party Provider. He does not operate and does not intend to operate a Gambling Business. Mr. Rickards stated that he believed the Third-Party Provider license will come before the Commission in August. Mr. Rickards further indicated that by allowing the withdrawal, with or without prejudice, it will eliminate Mr. Baldaramos having to defend two licenses, one of which he does not want and is not using.

Mr. Rickards added that to grant the withdrawal, with prejudice, Mr. Baldaramos would not be able to apply for a year. The Commission would then be able to consider information relating to his suitability for licensure when his Third-Party Provider license came before the Commission in August. Mr. Rickards stated that Mr. Baldaramos is currently operating in eight clubs as a Third-Party Provider pursuant to licenses approved by the Bureau of Gambling Control.

Commissioner Shimazu requested verification that the Third-Party Provider renewal was going to be heard in August. Deputy Director Littleton responded saying that staff had planned to place the renewal on the August 26, 2010 agenda; and, should the Commissioners deny the request to withdraw; then staff would have both items on the August 26, 2010 agenda.

Chairman Shelton asked for clarification regarding what would be gained by denying the request for withdrawal.

Deputy Director Littleton stated that if the Commission approves the withdrawal with prejudice; Mr. Baldaramos will have the ability to reapply in one year. Ms. Littleton further stated that should the Commission deny the request for withdrawal and move forward with the completed investigation with staff's recommendation of denial and the denial carries, Mr. Baldaramos will have a denial on his license versus withdrawal with prejudice.

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Chairman Shelton indicated that should the Commission allow Mr. Baldaramos to withdraw with prejudice and if history that is unfavorable is presented during the renewal hearing for the Third-Party Provider license and the Commission denies the renewal: all that history follows should Mr. Baldaramos wish to reapply for a Gambling Business license.

Commissioner Shimazu indicated that approving the withdrawal with prejudice would allow the Commission some efficiency and if there is a denial on the Third-Party Provider license Mr. Baldaramos would only have to file for an evidentiary hearing for one business.

Commissioner Shelby reiterated that if the Commission were to deny the request to withdraw then both the Third-Party Provider and Gambling Business would be on the August agenda.

Deputy Director Littleton indicated that if the Commission approves the withdrawal request, with prejudice, it completes this agenda item. In August, the Commission would only consider the renewal of the Third-Party Provider license.

Chairman Shelton moved to approve the request for withdrawal with prejudice. The motion was seconded by Commissioner Shelby and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes.

B. Voyager Gaming Group, Inc.:

Owners:	Johnny Chan	Catherine Lee	David Partono
	Patrick Yeung		
Supervisors:	Rui Li	Tung Nguyen	Duc Tran
	Oi Ming Tse	Tae Tso	Alex Wong

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the withdrawal request 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 Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

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

River Rock Casino: Dry Creek Rancheria
Charles Youell

Deputy Director Tina Littleton indicated that staff recommended the Commission extend the renewal application for Finding of Suitability through October 31, 2010.

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Ms. Littleton indicated the administrative hearing occurred on June 30, 2010; and the Administrative Law Judge has 30 days to provide a written decision to the Commission.

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

11. Application for Approval of Interim State License for Bingo Manufacturers and Distributors (Pursuant to Penal Code 326.5 and California Code of Regulations, Title 4, section 12492):

Bingo Innovations of California, Inc: Michael T. Lowen, II, President
Michelle N. Lowen-Martins, Vice President
Nancy K. Lowen, Secretary
David A. Gunther, CFO

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the interim license for the period of July 8, 2010 through July 31, 2011 with the conditions as follows:

- (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*

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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.

- (6) *Michael T. Lowen (the father of Michael T. Lowen, II) shall not be permitted to exercise significant influence over or become an owner in Bingo Innovations of California, Inc., without first submitting an application for and obtaining the appropriate licensure.*

CONSENT CALENDAR ITEMS:

12. Applications for Approval of Renewal Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(d)):

- | | |
|-------------------------|---------------------|
| A. Misty Alonzo | E. Adam Perron |
| B. Bettina Felix | F. Jack Rubsam |
| C. Ruth Harkins | G. Stefanie Saechao |
| D. Pasquinel Marchiondo | H. Lee Sartain |

13. Applications for Approval of Renewal of Third Party Providers of Proposition Player Services/Gambling Business Licenses (Pursuant to California Code of Regulations, Title 4, sections 12218.8 and 12238).

A. Gaming Management, LLC:

Players: Kimberly Arver	Mitzi Cabrera	Raisa Belle Castor
Winston Chen	Odyleo Divina	Karen Ennenga
Aldo Escorcía	Peregrina Fellows	Robert Garcia
Marisol Hernandez	Alvin Hines	Seth Hodgeman
Wesley Laliva	Tiffany Knox	Quincy Kwong
Steve Lee	Sarona Malepeai	Joseph McGow
Linh Phan	Aaron Robinson	Amy Tan
Shao Xu	Tian Shou Yin	

B. Network Management Group, Inc.:

Players: Sulema Aparicio	Aileen Aurelio	Melvin Baldwin
Edlin Balingit	Christopher Bradford	Ricardo Calma
Becky Collins	Rolando Corrales	Ria Dayrit-Atencion
Melvin del Rosario	August Deluna	Paulo Devera
Jocelyn Diaz	Dennis Domingo	Claudia Dominguez
JiaYuan Andy Fang	Jason Granado	Mesha Jackson
Cecilia Kim	Lloyd Lee	Lai Lin
Lucy Mapanoo	Oscar Maradiaga	Benjamin Segal
Colin Stiles	LaRae Williams	

14. 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. Augustine Casino - Augustine Band of Cahuilla Mission Indians:
Stephanie Chavez

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- B. Barona Valley Ranch Resort & Casino - Barona Band of Mission Indians:
Fletcher Linton Jose Lopez Clark Stockton
- C. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:
Venny Xiong
- D. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Ismael Martinez Richard Ramirez
- E. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Steven Beck
- F. San Manuel Indian Bingo and Casino – San Manuel Band of Serrano Mission Indians of the San Manuel Reservation:
Frank Rodriguez
- G. Soboba Casino - Soboba Band of Luiseno Indians:
Adrian Casarrubias Juan Reynoso
- H. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:
Bertha Lopez
- I. Sycuan Casino & Resort- Sycuan Band of the Kumeyaay Nation:
Jian Gu
- J. Table Mountain Casino - Table Mountain Rancheria:
Arnold Dagatan Carollynn Long Vincent Reyna
- K. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:
Wilven Addenbrooke Joseph Williams

15. 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. Barona Valley Ranch Resort & Casino - Barona Band of Mission Indians:
Brian Arthur Hoa Bui Karen Delia-Mendoza
Lydia Fernandez Jeffrey Phillips Arian Qerkini
Linda Ring Gregorio Rodriguez James Schloegel
Mark Slater Jonathan Townsend Scott Tuck
- B. Blue Lake Casino- Blue Lake Rancheria:
Amanda English Carrie Lloyd Bonnie Morris
Arla Ramsey Jessica Townsend
- C. Elk Valley Casino – Elk Valley Rancheria:
David Hernandez
- D. Feather Falls Casino – Mooretown Rancheria of Maidu Indians of California
Christopher Desylva Stephanie Pejsa
- E. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwok Indians:
Anthony Martinez
- F. Red Hawk Casino – Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria:
Brenda Adams Richard Corbin James Sweatt
- G. Soboba Casino - Soboba Band of Luiseno Indians:
Jennie Fischer Shiloh Maddox Gustavo Reyes

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Sheryl Ricciardi

H. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:

Candida Cuara

I. Win-River Casino – Redding Rancheria:

Jessica Franks

Teresa Romero

Deputy Director Tina Littleton indicated that staff recommended the Commission approve consent calendar items 12, 13, 14, and 15.

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

CLOSED SESSION

Chairman Shelton adjourned the Commissioners to Closed Session at 10:15 a.m. to discuss the case of *Candace Cates v. Steve Westly, et al.*, San Diego County Superior Court (GIC 821775).

OPEN SESSION

The Commissioners returned to Open Session at 10:20 a.m. Chief Counsel, Joe Dhillon advised the Commissioners on the case; however, no action was taken at this time.

PUBLIC COMMENT

There were no public comments at this time.

ADJOURNMENT

Upon motion of Chairman Shelton, seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes, the meeting was adjourned at 10:21 a.m.