

California Gambling Control Commission

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**MINUTES OF AUGUST 12, 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. July 8, 2010
 - B. July 20, 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 July 8 and July 20, 2010.

Deputy Director Tina Littleton indicated that staff received a request from the applicant to table agenda item #5 and reschedule on a future agenda.

Upon concurrence of the Commissioners item 5 was tabled.

4. Discussion and Consideration of Modifying Condition(s) (Pursuant to Business and Professions Code section 19824(b)):

Diamond Jim's Casino: Wizard Gaming, Inc.
Zephyr Inter Vivos Trust
George Deitch, Trustee
George Hardie, Jr., Beneficiary

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Deputy Director Tina Littleton indicated this item was placed on the agenda to allow the Commissioners to discuss matters concerning condition number one currently imposed on Diamond Jim's Casino's state gambling license. The Commission is in receipt of a request for clarification as to whether the conditions placed by Kern County Sheriff's Office noted on George Deitch's, Trustee of the Zephyr Trust, local license are in conflict with condition number one. Ms. Littleton further indicated that staff has reviewed both the state and local conditions; and, believes there is no conflict thus affording Mr. Deitch the ability to pay the Trust obligations as outlined in the Kern County Sheriff's Office condition.

Mr. Harlan Goodson on behalf of Mr. Deitch and Zephyr Trust, indicated on August 13, 2009 the Commission placed conditions on the Wizard license restricting the ability of the Trustee to use the funds that go into the trust for the purposes of paying taxes and assessments. In June 2010, the Kern County Sheriff's Office issued a conditional license to Mr. Deitch, as the Trustee of the Zephyr Trust, and the conditions on this license also restrict the use of the funds. It allows for the transfer of the Wizard shares to Mr. Deitch as the Trustee but, it limits Mr. Deitch's ability at what he can do with the funds that go into the Trust. Mr. Deitch is limited to the payment of taxes, and to the payment of legal fees that are incurred by Zephyr after the date of the conditional license, not to exceed a quarter of amount owed to Mr. Hardie Sr. The third condition is to actually pay off the loan from Mr. Hardie Sr. Mr. Goodson further indicated that it is their belief that the conditions that were imposed by the Kern County Sheriff's Office are consistent with the conditions imposed by the Commission on August 13, 2009. Mr. Goodson stated that the payment of the loan to Mr. Hardie and payment of the taxes and legal fees constitutes other obligations which may be due and payable by the Trust. Mr. Goodson expressed that on August 13, 2009, Wizard argued against the adoption of the condition on the basis they feared that the condition could be interpreted exactly the way Mr. Goodson is asking that it be interpreted. Mr. Goodson requested the Commission approve the transfer of shares to Mr. Deitch and to allow him to use the distributions that are made to the Zephyr Trust for the purposes articulated in both the Commission's and the Kern County Sheriff's imposed conditions.

Mr. Steve Blackman, Counsel for Wizard Gaming, indicated that the restrictions placed on August 13, 2009, were not restrictions on how Mr. Deitch was allowed to use funds as Trustee, they were restrictions on what Wizard could pay to the Trust and for what purpose they could make payments to the Trust. Mr. Blackman stated that his understanding was that it said, do not transfer funds and other assets. Mr. Blackman further indicated that Wizard views that as stock. Mr. Blackman explained in their view, when it says do not transfer funds, the only funds are the shareholder distributions and there was an exception for taxes and other obligations which somehow relate to Wizard. It is Mr. Blackman's argument that the restrictions were not what Mr. Deitch could do with the money but the restrictions were limits on what Wizard could do with the money. Mr. Blackman presented some background on the investigation of Mr. Hardie Jr. and expressed concern regarding some issues in that investigation.

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Chairman Shelton stated that until the investigation is completed and the Commission has all the facts, the Commission cannot make a just decision.

Commissioner Shimazu indicated that the topic today was whether or not the Kern County Sheriff's Office conditions conflict with the conditions the Commission imposed. Commissioner Shimazu indicated that she was not clear what Mr. Blackman's position was regarding the conditions.

Mr. Blackman indicated that he had asked for clarification as to whether or not, Wizard is supposed to transfer stock to the Trust. Wizard interprets the August 13, 2010, condition as saying, don't transfer assets and Wizard interprets that as don't transfer stock.

Chairman Shelton stated he believed the language of the condition was all inclusive.

Legal Counsel Joe Dhillon indicated that he believed the issue before the Commission is specifically whether or not the conditions imposed by Kern County are consistent with conditions currently imposed by the Commission. That was what was agendized, to allow the Commission to discuss it and if required, to take any action.

Mr. Goodson indicated the issue is whether or not the payment as specified in the conditions placed on Mr. Deitch's Trust license by the County of Kern is consistent with what the Commission envisioned on August 13, 2009 when the Commission said other matters. It is Mr. Goodson's belief that the Commission staff has appropriately interpreted the conditions.

Chairman Shelton opined that the Commission should not take any action today. The Commission has their conditions and believes in them.

Commissioner Shelby reiterated the issue and stated he did not see any conflict in the conditions.

Chairman Shelton expressed that he was not going to take any action on this until he sees the completed background investigation on Mr. Hardie Jr.

Mr. Blackman stated his position again and requested the Commission tell him if he is wrong so that Wizard can alter their conduct.

Commissioner Shimazu stated that she did not think there was any conflict with the conditions imposed by Kern County.

Chairman Shelton directed Mr. Blackman to go with what the Commission voted on and is in place; those are the conditions and the Commission is not modifying them.

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Mr. Goodson reiterated that Mr. Blackman interpreted that to mean there were no transfer of shares and no distribution. That was not something that was ever brought up in August 2009.

Chairman Shelton stated he believed it was; that it was all inclusive in the conversation. The Chairman indicated that he believed only the bills were going to be paid and nothing else is going out of the funds until this came to a complete decision.

Mr. Goodson indicated that in order to do that the sheriff has recognized that it will take a transfer of shares. Nobody is asking to pay anything other than that which has been approved by the Commission and the County which is taxes, attorneys fees from the date of the condition forward, the payment of the loan back to Mr. Hardie. He based this understanding from statements from Commissioners Shimazu and Shelby and perhaps the Chairman that the Commission agree those can be paid.

Chairman Shelton responded that he didn't think so. He believed the bills had to be paid.

Commissioner Shimazu stated that the things the Commission outlined and that Kern County clarified are basically the same thing.

Mr. Goodson indicated that everyone is saying the same thing. The conditions placed on Mr. Deitch's county license is consistent with the conditions that the Commission placed on Wizards license on August 13, 2009; and, that the Commission's condition allows for the payment, the transfer of shares, the matters that are specifically articulated in the Kern County letter.

Commissioner Shimazu responded with yes that is how she saw it.

Mr. George Deitch indicated that he has the money from a probate judge who put the money in a blocked account. Mr. Deitch further indicated that Wizard issued a K1 on the money. As Trustee he paid taxes on the money; and, now, Wizard has rescinded the K1. Mr. Deitch expressed frustration for the position he feels he is in.

Mr. Blackman asked if they are supposed to transfer shares. He believes he has gotten different answers from the Chairman and the Commissioners.

Chairman Shelton asked the Commissioners if they felt the shares were part of the holdings.

Commissioner Shimazu commented that the condition is clear to her. It shall not prohibit from distributing adequate funds for certain purposes and the purposes have been more specifically outlined in Kern County.

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Mr. Blackman indicated that it's the other assets that are the concern because they think other assets refers to stock.

Chairman Shelton agreed.

Commissioner Shimazu asked where the money would come from to pay the obligations if Wizard did not distribute the shares.

Mr. Blackman explained there are distributions that would otherwise be payable on those shares and those have been set aside into a trust account. If the Trustee asks for additional funds for a bill relating to Wizard, because the account has been spent, we are authorized to give them the money.

Commissioner Shelby stated that based upon his research it appeared that at a prior meeting the restrictions on distributions were only placed on George Hardie Jr. and that was the only restriction in terms of distribution he was able to find historically. So, other distributions he assumes would have to be paid along with indebtedness that was incurred and payments to George Hardie Sr.

Mr. Blackman indicated it was the August 13, 2009, meeting that put the conditions on Wizard saying that Wizard should not transfer the shares.

Mr. Jason Pope indicated that he thought the uncertainty was in the first condition. The first prong says no funds or other assets. The second prong specifically refers to funds and has no reference to assets. Mr. Pope suggested Mr. Blackman was referring to the second prong. Mr. Pope further indicated the question would be if prior approval is required for distribution of assets.

Chairman Shelton stated he thought the conflict was the definition of assets and do stocks fall under the definition of assets.

Mr. Pope indicated that based upon the language under condition one, no funds; funds would be currency and documented funds in bank accounts. Assets would have to be a "catch" all which would provide for other things such as stocks.

Chairman Shelton moved to adopt staff's recommendation. 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.

5. Application for Approval of Temporary State Gambling License (Pursuant to Business and Professions Code section 19824(f)):

Marina Club: Betty Burks (Calamia), Owner

Upon concurrence of the Commissioners this item was tabled.

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6. Request for Approval of Stock Purchase Agreement and Approval of Initial State Gambling License (Pursuant to Business and Professions Code Sections 19851, 19852, and 19904):

- A. California Commerce Club, Inc: Victor Pankey (Seller)
Elena Elizarova (Buyer)

Staff Counsel Jason Pope indicated that Legal has reviewed the Stock Purchase Agreement which complies with section 19904 as it requires Ms. Elizarova to secure a state gambling license before the sale is completed. Legal recommended the Commission approve the Stock Purchase Agreement contingent upon item 6B.

Commissioner Shelby indicated that there is nothing held in terms of assets and no security if the payments are not made on the loan; and, asked why the shares were being sold instead of giving an outright gift.

Mr. Victor Pankey indicated the thought in estate planning is to sell at a favorable price to avoid gift tax. Under the circumstance in trying to come to a reasonable cost and provide for a sale with a self funding contract would accomplish the estate planning objectives.

Commissioner Shelby expressed concerns about the arrangement and that this type of arrangement wouldn't be made to others who expressed interest in buying the shares. He further stated that he had concerns about this type of arrangement as a policy issue.

Ms. Elena Elizarova indicated that she has assets, earned income and gift income to make the payments for this arrangement.

Commissioner Shimazu indicated at first she had concerns regarding Ms. Elizarova's ability to make the payments for the shares, but with this deal there is no longer that concern. The second concern was the gifts from Ms. Elizarova's husband and if that was going to be used to pay back Mr. Pankey because if so, there may be a licensing issue with the husband. Commissioner Shimazu asked Ms. Elizarova if the money to pay back Mr. Pankey was going to come solely from the distributions from the stock.

Ms. Elizarova responded that yes she could use the money to pay if it is necessary. Ms. Elizarova didn't see an issue because the money from her husband was not his; it was hers, because he gifted it to her.

Commissioner Shimazu asked if she would be using that money to pay Mr. Pankey.

Ms. Elizarova indicated yes if it was necessary but the main money would be coming from the Commerce Casino income. If necessary she would use the gift money and her earnings. Also Ms. Elizarova has accepted employment with the Department of Defense that will provide a 15 to 20 percent increase in her earned income.

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Chairman Shelton express that he would not approve this due to the fact she has no collateral and she could not go to a bank and get a million dollar loan. It is a family situation and he does not want to go down that road again of approving this type of a family loan. Chairman Shelton indicated this is gaming and the Commission has an obligation to protect people.

Commissioner Shimazu expressed her concern about where the money was going to come from to make the payments to Mr. Pankey because of the husband gifting money and she thought it needed further review.

No action was taken on this item due to a lack of a motion.

B. Commerce Casino: Elena Elizarova, Shareholder

No action was taken on this item due to the lack of action on item 6A.

7. Application for Approval of Initial State Gambling License and Approval of Transfer of Shares (Pursuant to Business and Professions Code section 19851,19852 and 19904; Title 4 CCR 12342(a)(8)):

A. Garden City Casino: Lunardi Family Living Trust
Peter Lunardi and Jeanine Lunardi, Trustee/Owners

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the Lunardi Family Living Trust for endorsement on Garden City Casino's state gambling license, valid for the licensure period through February 29, 2012.

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.

B. Garden City Casino: Lunardi Family Living Trust

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the transfer of shares held by Pete and Jeanine Lunardi, Trustees/Owners in Garden City, Inc. to the Lunardi Family Trust with the following condition:

Trustees of The Lunardi Family Living Trust (Trust) shall provide documentary evidence (such as the recorded deed) of placement of Garden City, Inc.'s shares into the Trust, to show change of ownership to the Trust, within 30 days of Trust approval. After receipt of this evidence, the Commission will issue a license certificate to include the following endorsement: The Lunardi Family Living Trust – Peter Victor Lunardi, III and Jeanine Lunardi, Trustees.

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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.

8. Application for Approval of Renewal of State Gambling License (Pursuant to Business and Professions Code section 19876):

The Mint: James Podergois, Sole Proprietor

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the renewal state gambling license application for the remainder of the licensure period valid through June 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 Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

9. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(a)):

A. Gerald Boone III

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the personal key employee license application. Staff has reviewed the Bureau's report and recommended approval through August 31, 2012, with no conditions.

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.

B. Anita Chu

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the personal key employee license application. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through August 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.

C. John Mugnani

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Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the personal key employee license applications. Staff has reviewed the Bureau's report and recommended that the Commission approve the application through August 31, 2012, with the following conditions:

1. *Mr. Mugnani must submit to the Bureau and the Commission a copy of the Administration's Request for Waiver of Overpayment Recovery or Change in Overpayment Rate from within 30 days of approval of his personal key employee license. And, beginning September 1, 2010, and every 90 days thereafter submit a written update to the Bureau and the Commission on the issue of the outstanding \$63,000 owed to Social Security.*
2. *Within 30 days of this approval Mr. Mugnani must submit to the Bureau and the Commission written evidence of attempts to establish a payment plan with Cap One and communication of their response.*

Chairman Shelton requested clarification of the fraud regarding Social Security payments.

John Mugnani indicated there was no fraud; he was never accused of fraud. There was an issue of overpayment of disability benefits which he found out about years later. Mr. Mugnani filed for appeal and there were issues. He has been making intermittent payments. Mr. Mugnani further indicated he was told it would not be on his credit and it would be handled when he retired and then apparently something changed because it is on his credit. He filed for an appeal a second time in June 2010. As part of the process Mr. Mugnani filed a waiver, and if that doesn't work Mr. Mugnani will appeal and then it goes to an administrative judge. Mr. Mugnani stated that during the wavier period he does not have to make payments.

Chairman Shelton asked if he would object to a condition on his license that requires him notify the Commission and the Bureau immediately upon the conclusion of the administrative hearing.

Mr. Mugnani indicated that he didn't mind and if is not resolved he would start making payments.

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.

D. Dusten Perry

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the personal key employee license

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applications. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through August 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.

E. Kathy Reiner

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the personal key employee license applications. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through August 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 Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

F. Vincent Shaw

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended that the Commission approve the personal key employee license applications. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through August 31, 2012.

Upon motion of Commissioner Shelby, seconded by Chairman Shelton 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 of Third Party Provider of Proposition Services/ Gambling Business Licenses (Pursuant to California Code of Regulations, Title 4, sections 12218.8 and 12238):

A. Lucky Star Gaming, Inc.: May Liang, President, Secretary, Treasurer, Director

B. Network Management Group, Inc.: John Park, Shareholder, CEO, Secretary, COO
Patrick Tierney, President
David Shindle, Director of Operations
Brian Wachter, Owner

Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the renewal applications in items 10A and 10B through August 31, 2012.

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Commissioner Shimazu regarding item 10B questioned if any steps had been taken so that Network Management Group, Inc. would not miss the deadlines for notices to the Commission in the future.

David Tierney, designated agent, indicated that he was unaware of missed deadlines but he assured the Commission things would be put in place to ensure they would be timely.

Deputy Director Tina Littleton indicated this is in reference to a transfer of shares that took place. The regulation requires a 10 day notice of any change of ownership and the Commission didn't receive notification until 18 days after the transaction occurred; therefore, it was a violation of the California Code of Regulations.

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 for items 10A and 10B.

11. 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: Jennifer Kong Ny Oum

B. Gaming Management, LLC:

Players: Steven Dadaian Alph De Asis Aaron Edwards
Ronald Forte, Jr. Stella Luk Jonathan Rik

C. Pacific Gaming Services, LLC:

Player: David Nguyen

Deputy Director Tina Littleton indicated the Bureau of Gambling Control recommended the Commission approve the conversion to licensure for the applicants in items 11A through 11C. Staff has reviewed the Bureau's reports, concurred with their recommendations; and recommended approval through August 31, 2012.

Upon motion of Commissioner Shelby, seconded by Chairman Shelton 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.

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

GameTech International, Inc.:*

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Deputy Director Tina Littleton indicated that staff recommended that the Commission approve the application for the licensure period of August 12, 2010, through August 31, 2011 with the following conditions:

- (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.*

Commissioner Shelby questioned the multiple occurrences of turnover in the higher ranks of management and wanted to know if there was turmoil in the company causing these changes.

Patrick Crawford, Vice President of Compliance, indicated he fully understood the question and what he would say in public would be held to the limit for a publically traded company. Mr. Crawford explained there had been a significant amount of turmoil in the top levels of management, mostly in the last few months. Mr. Meilstrup was CEO for about 4 years. The second CEO, Mr. Glissen was voted in in April and departed about 6 weeks ago due to conflict of opinions on which direction to take the business. The second board member added in April also resigned his membership on the board. The current CEO Mr. Fasig, was a prior COO and has been with the company approximately a year. Also the CFO decided to leave as well. The

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Controller, who has been with the company a couple of years, was moved into the CFO position. Mr. Crawford further indicated that the hope was that this would establish some continuity going forward instead of bringing in someone from the outside.

Commissioner Shelby requested a report of the status of the company.

Deputy Director Tina Littleton indicated this company has submitted an application for a Gaming Resource Supplier, Tribal Vendor and the Bureau of Gambling Control has conducted a background investigation and this could be added into that background report.

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.

13. Application for Approval of Interim License for Bingo Equipment Manufacturers and Distributors – Request to Withdraw (Pursuant to Business and Professions Code section 19869 and Title 4, California Code of Regulations section 12492):
GameTech International, Inc.: Jay Meilstrup, CEO, President

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

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.

14. Application for Approval of Interim Work Permit for Remote Caller Bingo (Pursuant to Penal Code section 326.3 and Title 4, California Code of Regulations section 12501)
Elizabeth Salomone

Deputy Director Tina Littleton indicated that staff recommended the Commission approve the interim work permit application for the period of August 12, 2010 through August 31, 2011 with the following conditions:

- (1) An interim work permit 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 work permit have not been adopted.*
- (2) Upon adoption of regulations specifying the criteria for a regular work permit, the Commission will notify the holder of the interim work permit 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 work permit will not be eligible for renewal.

- (3) An interim work permit does not obligate the Commission to issue a regular work permit nor does it create a vested right in the holder to either a renewal of the interim work permit or to the granting of a subsequent regular work permit.*
- (4) Issuance of an interim work permit has no bearing on the question of whether the holder will qualify for issuance of any Commission permit, registration, or license. The interim work permit will be cancelled in the event that the Commission subsequently determines that the applicant does not qualify for any Commission permit, registration, or license.*
- (5) If, during the term of an interim work permit, it is determined that the holder is disqualified pursuant to Section 12502, the Executive Director shall prepare an order to show cause why that interim work permit should not be cancelled. The holder of the interim work permit 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 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.

15. Tribal-State Gaming Compact Gaming Device License Draw (1999 Tribal-State Gaming Compact section 4.3.2.2)

Upon motion of Commissioner Shelby, seconded by Chairman Shelton and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shelby and Shimazu voting yes, the Commission approved the Tribal-State Gaming Compact Gaming Device License Draw.

CONSENT CALENDAR ITEMS:

16. Applications for Approval of Renewal Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(d)):
- A. Christopher Gearhart
 - B. William Howell Jr.
 - C. David La
 - D. Ryan North
 - E. Sing Sengon
 - F. Marc Teachout
 - G. Ramy Wahba

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- J. Coyote Valley Casino - Coyote Valley Band of Pomo Indians:
Heather Parker Silbino Ruiz
 - K. Fantasy Springs Casino – Cabazon Band of Mission Indians:
Juan Cortez, Jr. Thomas Tveit
 - L. Harrah’s Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Mona Lyons Teresa Smith
 - M. Havasu Landing Resort and Casino – Chemehuevi Indian Tribe of the
Chemehuevi Reservation:
Robert Perusich
 - N. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:
Natalie Gambol Everett O’Connor
 - O. Pala Casino – Pala Band of Mission Indians:
Shi Murakami
 - P. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians
of the Pechanga Reservation:
Sinan Koc
 - Q. Pit River Casino – Pit River Tribe:
Michael Avelar Brian Durlinger Sheena Hawkins
Felisa Tinaza
 - R. Sycuan Casino & Resort- Sycuan Band of the Kumeyaay Nation:
Jarrod Richardson
 - S. Table Mountain Casino - Table Mountain Rancheria:
Adam Cuevas Monique Miller-Long Michael Redmond
Antoan Tripp
 - T. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa
Rosa Rancheria:
Sandra Carrasco James Keuangthirath Ian Spencer
 - U. Thunder Valley Casino - United Auburn Indian Community of the Auburn
Rancheria:
John Duarte Nicholas Rodgers Sherri Wadsworth
 - V. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:
Joben Daughtery
 - W. Valley View Casino – San Pasqual Band of Diegueno Mission Indians:
Jody Warring
20. 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. Augustine Casino - Augustine Band of Cahuilla Mission Indians:
Jorge Garcia
 - B. Cache Creek Casino Resort – Rumsey Indian Rancheria of Wintun Indians:
James Cleary Brenda Cucueco Nancy Dizon
Ronel Dizon Tracy Dovel Kathleen Jackson
Josephine Nakayama Jay Pham
 - C. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and
Yuima Reservation:
David Rich Karen Woodruff

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- D. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Gregorio Figueroa Kyle Schaffer
- E. Fantasy Springs Casino – Cabazon Band of Mission Indians:
Tessa Charles Branden Stephenson
- F. Gold Country Casino – Berry Creek Rancheria of Maidu Indians of California:
Nai Chao Jackson Fisher Darrell Loomis
- G. Harrah's Rincon Casino & Resort – Rincon Band of Luiseno Indians:
Joseph Amago Maureen Cook James Davie
Richard Davis Philip Erwin Nhatnam Nguyen
Gerald Taylor
- H. Pala Casino – Pala Band of Mission Indians:
Jessica Bruns Charles Clow Rhonda Gillyard
Luis Gracia Katherine King Jorge Maldonado
Tommy Spencer Christine Urban
- I. Red Hawk Casino – Shingle Springs Band of Miwok Indians:
Billye Hindman
- J. Sycuan Casino & Resort- Sycuan Band of the Kumeyaay Nation:
Liza Marie Rose Buensuceso Qui Chan Paul Chant
Jezekiah Conley Eduardo Cunanan Gilmore David
John Dinius Lee Dotson Julie Ebsen
Steven Erickson Tammi Hays Bryan Hunter
Robert Jaboro Charmaine Johnson Zulia Juarez
Adam Morris Melonie Morrison Michael Murray
Aaric Ostern Christina Saykham James Shultz
Shaun Sotos Daniel Tse Danny Wong
- K. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
Raul Hernandez
- L. Viejas Casino & Turf Club - Viejas Band of Kumeyaay Indians:
Frederick Garbani William McClurg Martha Nguyen

Deputy Director Tina Littleton indicated that staff recommended that the Commission extend, item 16C, Mr. David La's portable personal license for 90 days through November 30, 2010. Staff also recommended that the Commission approve the remaining consent calendar items 16, 17, 18, 19 and 20.

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 for 16C and the remaining consent calendar items.

PUBLIC COMMENT

Jacob Appelsmith, Bureau of Gambling Control presented the following:

Commission Meeting Minutes of August 12, 2010

“At a meeting of the Commission in February 2010, Assistant Bureau Chief, Norm Pierce, repeated several allegations that he understood counsel for Wizard Gaming to be making against George Hardie Sr. Assistant Chief Pierce’s statements about allegations were the foundation for his presentation before the Commission in relation to a licensing matter that was on the calendar for that day. One of those allegations stated by Assistant Chief Pierce was that Mr. Hardie Sr. was a convicted felon. For the record, neither the Bureau nor Mr. Pierce regards Mr. Hardie Sr. as a convicted felon and we did not regard him as such at the time. Mr. Pierce stated what he understood to be an allegation made by Wizard Gaming’s counsel. Further, we do not attribute that allegation to Wizard Gaming’s counsel and doing so was an error on our part. I apologize to the Commission, Mr. Hardie Sr. and counsel for Wizard for the confusion our errors have created.”

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 11:10 a.m.