

**California Gambling Control Commission**

2399 GATEWAY OAKS DRIVE, SUITE 220

SACRAMENTO, CA 95833

(916) 263-0700 FAX (916) 263-0499

[www.cgcc.ca.gov](http://www.cgcc.ca.gov)

---

**MINUTES OF SEPTEMBER 22, 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 :  
August 12, 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 August 12, 2010.

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

Delta Casino, downtown and Delta Casino: Delta C, LP, Delta CM, Inc.,  
General Partner  
Nader Tafty, Shareholder

Licensing Manager Marianne Estes indicated that staff recommended the Commission extend the temporary state gambling license through November 30, 2010 with the following conditions:

1. *The temporary initial license takes effect on the date that the Commission approves the request and expires November 30, 2010. If more time is needed to complete the background process, then the temporary state gambling license can be extended for an appropriate amount of time after consultation with the Bureau.*

2. *Issuance of a temporary license does not obligate the Commission to grant a permanent license. Issuance of a temporary license does not create a vested right in the holder to either extension of the temporary license or to a regular license.*
3. *Issuance of this temporary license does not in any way change the legal requirement that the applicant bears the burden of establishing that he/she is suitable pursuant to Business and Professions (B&P) Code section 19856(a) for a regular license.*
4. *Issuance of this temporary license does not change the license qualification requirements of the Gambling Control Act, including but not limited to B&P Code sections 19856, 19857, 19858, and 19859.*
5. *The applicant has pending applications for regular state gambling licenses. A regular license may or may not be issued, depending upon the results of the complete background investigation and upon the conduct of the applicant and its employees during the term of the temporary license.*
6. *If, during the term of the temporary license, the Executive Director determines that any particular applicant is disqualified for any of the reasons set forth in B&P Code section 19859, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. The applicant may request an evidentiary hearing either in writing not less than five days prior to the meeting or at the meeting itself.*
7. *If, during the term of the temporary license, the Executive Director determines that any particular applicant may have violated one or more of the conditions under which the temporary license was issued, the Executive Director shall prepare an order to show cause why that applicant's temporary license should not be cancelled, which shall be considered at the first available noticed Commission meeting. The applicant may address the Commission by way of an oral statement at the noticed Commission meeting and/or may submit documents in support of the temporary licensure not less than five days prior to the meeting. Either in writing not less than five days prior to the meeting or at the meeting itself, the applicant 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.

5. Application for Approval of Renewal of State Gambling License (Pursuant to Business and Professions Code section 19876):  
Outlaws Card Parlour: Dora Brown, Sole Proprietor

Licensing Manager Marianne Estes indicated that staff recommended the Commission approve the renewal application for the remainder of the licensure period, through July 31, 2012.

Upon motion of Commissioner Shimazu, 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.

6. Applications for Approval of Initial Key Employee Portable Personal Licenses (Pursuant to Business and Professions Code section 19854(a)):
  - A. Michael Lopez
  - B. Daniel Tierney
  - C. Mason E. White

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the personal key employee license applications in item 6A through 6C. Staff has reviewed the Bureau's reports, concurred with their recommendations; and, recommended approval through September 30, 2012. Also, staff recommended a condition be placed on item 6C as follows:

*Beginning October 1, 2010, and every 180 days thereafter, Mr. White must submit to the Commission and the Bureau a written update concerning the issue of the outstanding delinquent credit accounts currently in collections.*

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 for item 6A through 6C.

7. Applications for Approval to Convert Third Party Provider of Proposition Services / Gambling Business Registrations to a License (Pursuant to Business and Professions Code section 19984 and California Code of Regulations, Title 4, sections 12218 and 12233):
  - A. CB Certified Bankers, Inc.: Tam Luu, Shareholder, President, Secretary, Treasurer

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the application to convert registration to a license. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through September 30, 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. California Gaming Consultants: Dog Named Blue, Inc.  
James Stadler, Shareholder

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the application to convert registration to a license. Staff has reviewed the Bureau's report, concurred with their recommendation; and, recommended approval through the remainder of the license period, through February 28, 2011.

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. Certified Players, Inc.:

Player: Sarah Isaacs

- B. Gaming Management, LLC:

Players: Kaitlyn Egan

Christian Encabo

Hau Ho

Kao Seng

Timothy Young

- C. Network Management Group, Inc.:

Player: Lizette Crawford

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the Third Party player applications in item 8A through 8C. Staff has reviewed the Bureau's reports, concurred with their recommendations; and, recommended approval through September 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 for item 8A through 8C.

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

- A. Casinfo, LLC: Casinfo, Inc.

Gary Kuipers, President

Ximena Pilar Davalos, Secretary, Treasurer

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the finding of suitability application with

conditions. Ms. Estes further indicated that staff has reviewed the Bureau's report; and, recommended the Commission deny the finding of suitability applications.

Harlan Goodson, Designated Agent for Casinfo, LLC and its principals, stated that Casinfo has been responsive to the issues raised in the Bureau's report and have resolved all of the issues, with the exception of, the financial reporting condition. Mr. Goodson's stated that he believed Casinfo was being held to a rule where there is no regulation governing proper accounting and that if the Commission was not prepared to grant a license with or without conditions, then Casinfo would request an evidentiary hearing. Nonetheless, Casinfo would be willing to accept the Commissions conditions and provide all the reports that are required in a timely manner and to the satisfaction of the Commissioners and staff.

Commissioner Shelby stated that it is the responsibility of a small business to file income tax and maintaining good financial records is a basic responsibility of starting a business. Commissioner Shelby expressed that whether it is for the Commission or the Internal Revenue Service, Casinfo's principals have to have some financial records to be reviewed. Commissioner Shelby further indicated the original application was filed in 2004 and this is now 2010 and the need for an accountant is prudent business.

Harlan Goodson indicated that Casinfo's principals are cognizant of the problem, as evidenced by, their hiring of a Certified Public Accountant to remedy the problem. Mr. Goodson stated that if the Commission requires something further, like annual reports or quarterly reports, Casinfo would comply.

Commissioner Shimazu expressed concerns that it took the Bureau's investigation before Casinfo's principals took steps to remedy the situation.

Harlan Goodson indicated that this is the first jurisdiction where this type of issue has been presented to them. As soon as it was presented, they responded; and, will continue to abide by all the requirements of the Commission and the Bureau of Gambling Control.

Chairman Shelton commented that the Bureau has shown great patience and has nurtured Casinfo to get them where they are today and reiterated that in choosing to go into business for yourself, it's your responsibility to do the research and find out what needs to be done to accomplish that goal.

Commissioner Shimazu stated that it appears Casinfo was not willfully trying to hide anything so she would consider option three, to approve the finding of suitability with conditions for one year, so the Bureau would have the necessary documentation to make an assessment of the financials.

Commissioner Shelby directed attention to option two and commented that he assumed the requested backup documentation included years prior to 2010.

Dorothy Osgood, Bureau of Gambling Control requested that option two be modified to have the financial statements be presented in 2012, for the year ending 2011, with a Certified Public Accountant working with them for the entire licensure period. Ms. Osgood expressed that it is much more difficult to reconstruct records from the past than to correct deficiencies going forward.

Commissioner Shelby stated that reconstructing a year of financials can be done, especially in this case of a small business.

Aisha Martin-Walton, Bureau of Gambling Control indicated that the second reason they are requesting to modify option two is it would give the auditors an opportunity to review a full year of bank records and provide an opportunity for the Bureau to present the information to the Commission in time for the two-year renewal.

Chairman Shelton stated that asking the applicants to retain a CPA firm for the entire licensure period may create a financial hardship that is not necessary and suggested that language be stricken from the amended condition proposed by the Bureau.

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 recommendation provided by the Bureau of Gambling Control with the following conditions:

1. *No later than April 15, 2012, a set of financial statements shall be prepared by a licensed independent Certified Public Accountant and presented to the Bureau and Commission for the year ended December 31, 2011, and all backup supporting documentation must be made available for review upon request.*
2. *Upon a Finding of Suitability, documentation submitted by Casinfo as evidence of a transaction's propriety shall consist of original, third party documents and invoices.*
3. *All new and future contracts and agreements, including verbal, must be formalized in writing.*
4. *No later than April 15, 2012, provide details in writing of all ongoing verbal contracts and agreements.*

B. GameTech International, Inc.: \*

Licensing Manager Marianne Estes indicated that the Bureau of Gambling Control recommended that the Commission approve the finding of suitability applications. Staff has reviewed the Bureau's reports, concurred with their recommendations; and, recommended approval through September 30, 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.

10. Application for Approval of Renewal of Tribal-State Compact Gaming Resource Supplier Finding of Suitability (Pursuant to the Tribal-State Gaming Compact, section 6.4.5):  
Shuffle Master, Inc.:\*

Licensing Manager Marianne Estes indicated that staff recommended the Commission approve the renewal finding of suitability application 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 Shelby and Shimazu voting yes, the Commission approved the staff recommendation.

11. Disciplinary Matter (Title 4, CCR 12552):  
Stipulated Settlement and Disciplinary Order: Her J. Xiong, Sole Proprietor of Merced Poker Room (BGC Case No. SA07-00091-01, OAH Case No. 2010010608)

Staff Counsel Russell Johnson indicated that this item involves a Proposed Stipulated Settlement and Disciplinary Order in the matter of the first amended accusation against Her J. Xiong, Sole Proprietor, of Merced Poker Room. Mr. Johnson further indicated that Neil Houston from Indian and Gaming Law Section, and representatives from Merced Poker Room were available for comment.

Neil Houston, Deputy Attorney General, indicated that this settlement reflects a balance of the interests of the parties in the negotiated settlement that they feel suits the objectives of the complaint in this matter. Mr. Houston urged that the settlement be approved.

#### **CONSENT CALENDAR:**

12. Application for Approval of Renewal Key Employee Portable Personal License (Pursuant to Business and Professions Code section 19854(d)):  
Steve Linger
13. Application for Approval of Initial Work Permit (Pursuant to Business and Professions Code section 19912):  
Club San Rafael: Hong Wang
14. Applications for Approval of Renewal Work Permit (Pursuant to Business and Professions Code section 19912):  
A. The 101 Casino: Stanley Xenos  
B. Ven-A-Mexico: Maria Esparza Melano

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

Gaming Management, LLC:

Players: Gilberto Gamboa, Jr. Julie Rice Hugo Serrano  
Robert Willard

16. 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. Barona Valley Ranch Resort & Casino - Barona Band of Mission Indians:

Gerald Bly, Jr. Nathan McEntire Jose Peralta  
Aliya Rassavong James Reiter

B. Casino Pauma – Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation:

Karen Becker Chad Schofield

C. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:

Ben Valverde Tou Vang Yang

D. Chumash Casino – Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:

Lisa Wright

E. Coyote Valley Casino - Coyote Valley Band of Pomo Indians:

Andrew Medlin

F. Diamond Mountain Casino – Susanville Indian Reservation:

Louis Fischer

G. Jackson Rancheria Hotel & Casino – Jackson Rancheria Band of Miwuk Indians:

Richard Hoffman David Memmer Elizabeth Primicerio  
Frederick Woods, Jr.

H. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the Morongo Reservation:

Carey Fearing

I. Pala Casino – Pala Band of Mission Indians:

Manuel Chagoya Esequiel Fernandez Thad Shelton

J. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:

Susana Briones Phorn Em Charles Morrison

K. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:

William Rogers Renee Schinkowsky

L. Robinson Rancheria Bingo and Casino – Robinson Rancheria of Pomo Indians:

Angie Diaz

M. Spotlight 29 Casino - Twenty-Nine Palms Band of Mission Indians:

Lam Pham

N. Sycuan Casino & Resort- Sycuan Band of the Kumeyaay Nation:

Steve Ma Sherwin Perez Wayne Yuen



Commission Meeting Minutes of September 22, 2010

- O. Tachi Palace Hotel & Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:  
Maria Saldana
- P. Twin Pine Casino – Middletown Rancheria Band of Pomo Indians:  
Felipe Leon, Jr.

17. 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. Chukchansi Gold Resort and Casino – Picayune Rancheria of the Chukchansi Indians:  
Theresa Broadwater    Marcku Domingo    Kristin Sousa
- B. Colusa Casino and Bingo – Cachil Dehe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:  
Alfredo Cuevas
- C. Elk Valley Casino – Elk Valley Rancheria:  
Gerard Nailon
- D. Harrah's Rincon Casino & Resort – Rincon Band of Luiseno Indians:  
Valerie Pemberton
- E. Lucky 7 Casino – Smith River Reservation:  
Marla Richards    Duane Walker
- F. Pala Casino – Pala Band of Mission Indians:  
Alan Barrientos Cegueda    Calvin Dang
- H. Pechanga Resort and Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:  
Marlon Cordoba    Richard Domakowski    Maria Garcia De Rios  
Deborah Greco    Jamileh Haddad    Anthony Hale  
Edward Hatcher    Judith Lamadrid    Konny Pereira  
Mircea Predeleanu    Robert Quintana    Jesse Soto  
Katherine Winters
- I. River Rock Casino – Dry Creek Rancheria Band of Pomo Indians:  
Joseph Evington    Anthony McKay-Laiwa
- J. Soboba Casino - Soboba Band of Luiseno Indians:  
Kele Slevcove
- K. Thunder Valley Casino - United Auburn Indian Community of the Auburn Rancheria:  
Joey Bertzyk    Cynthia Madigan    Alfred Passer  
L Smythe    Deborah Stracner    Hue Tran
- L. Win-River Casino – Redding Rancheria:  
Christopher De Camp

Licensing Manager Marianne Estes indicated that staff recommended the Commission approve items 12, 13, 14, 15, 16, and 17.

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.

### **PUBLIC COMMENT**

There was so public comment at this time.

### **CLOSED SESSION**

Chairman Shelton recessed the Commissioners to closed session at 10:25 a.m. to discuss the following Closed Session items:

1. Deliberation on Decisions Regarding Disciplinary Matters (Government Code section 11126(c)(3)):
  - A. Stipulated Settlement and Disciplinary Order: Her J. Xiong, Sole Proprietor of Merced Poker Room (BGC Case No. SA07-00091-01, OAH Case No. 2010010608)
  - B. Proposed Decision In the Matter of the Accusation Against Charles Eric Youell OAH Case No. 2010010605
2. Litigation: (Government Code section 11126(e)):
  - G. *Tuolumne Band of Me-Wuk Indians v. State of California, et al.*, U.S. Dist. Court, E.D. California (2:09-CV-02263-JAM-EFB)

### **RECONVENE TO OPEN SESSION**

The Chairman reconvened to open session at 10:42 a.m. The Commissioners deliberations resulted in the following:

- 1A. Regarding the Stipulated Settlement and Disciplinary Order: Her J. Xiong, Sole Proprietor of Merced Poker Room (BGC Case No. SA07-00091-01, OAH Case No. 2010010608) upon deliberations the Commissioners declined to approve the Proposed Stipulated Settlement and Disciplinary Order presented.

Chief Counsel Joe Dhillon indicated that the Commissioners asked that there be a reasonable accounting of the Bureau's costs. when they are asked to approve an order, which includes an award of some costs. Second, the Commissioners were not comfortable with allowing a licensee to continue to operate for two or three years before the license was revoked. Mr. Dhillon further indicated the Commissioners found the fine inappropriately low, based on the number of violations and the facts and circumstances surrounding the violations.

## Commission Meeting Minutes of September 22, 2010

1B. In regards to, the Proposed Decision In the Matter of the Accusation Against Charles Eric Youell OAH Case No. 2010010605, upon deliberations the Commissioners voted by a count of three to zero to approve and adopt the Proposed Decision of the Administrative Law Judge as its final decision and order in this matter.

2G. The Commission discussed this item and no action was taken.

### **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 10:44 a.m.