

**California Gambling Control Commission**  
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**MINUTES OF JANUARY 6, 2010  
REGULATION HEARING**

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**OPEN SESSION**

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:01 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. A. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Dean Shelton and Commissioners Stephanie Shimazu, and Alexandra Vuksich present.

3. Consideration of Final Adoption of, and Approval for Filing with the Office of Administrative Law, Regulations Establishing Minimal Internal Control Standards (MICS) for Gambling Establishments: Phase II – Emergency Preparedness, Security and Surveillance. (Amending Title 4, California Code of Regulations, Section 12370; Adopting Title 4, California Code of Regulations, Sections 12372, 12395, and 12396.)

- Emergency Planning and Preparedness
- Security and Surveillance Plan
- Security Standards
- Surveillance Standards

Regulation Manager James Allen indicated that staff recommended the Commission adopt and approve for filing with the Office of Administrative Law (OAL), the final text of the gambling establishment regulations for Emergency Preparedness, Security and Surveillance [adopt amendments to Title 4 CCR Section 12370 and adopt Title 4 CCR new Sections 12372, 12395 and 12396]; and authorize staff to make any necessary non-substantive changes that may be required by OAL during their review process.

The Commission heard comments from Joy Harn representing Bicycle Casino, Mark Kelegian representing Crystal Casino and Alan Titus representing Artichoke Joes, and Aaron Wong representing the Bureau of Gambling Control.

Discussion among the Commissioners, staff, the Bureau of Gambling Control and the public commenced regarding section 12396(d), page 14 of the final text of proposed regulations (dated December 22, 2009) about the definition of "ability to access." Commission staff conveyed that "access" did not require the employee themselves the sole ability to access, but rather with the concurrence of the Commissioners and Mark Kelegian, the accepted interpretation of "ability to access" could be interpreted to include the ability of the authorized employee to contact assistance by telephone to access previous surveillance video.

As a result, of oral public comments received at this hearing, the following changes to the final text of proposed regulations (dated December 22, 2009) were developed:

Section 12396(a), page 12, line 14:

Current – All recording and monitoring equipment shall be located in a secure room or area of the gambling establishment so that access is controlled.

Change – All recording and monitoring equipment shall be located in secure *rooms* or *areas* of the gambling establishment so that access is controlled.

Chairman Shelton moved to approve staff's recommendation with the modification of the words room and area in section 12396(a), page 12, and line 14 to rooms and areas. The motion was seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

A complete transcript of the proceeding is incorporated into these minutes as Attachment A.

## **PUBLIC COMMENT**

There were no comments from the public during this portion of the meeting.

## **ADJOURNMENT**

Upon motion to adjourn the meeting by Chairman Shelton, seconded by Commissioner Vuksich and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes, the meeting adjourned at 11:04 a.m.

STATE OF CALIFORNIA  
GAMBLING CONTROL COMMISSION

COMMISSION MEETING

California Gambling Control Commission  
2399 Gateway Oaks Drive  
Suite 100  
Sacramento, California 95833  
JANUARY 6, 2010  
10:00 A.M.

**ORIGINAL**

Reported by: Desiree C. Tawney, CSR No. 12414



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APPEARANCES:

DEAN SHELTON  
Chairman

STEPHANIE SHIMAZU  
Commissioner

ALEXANDRA VUKSICH  
Commissioner

JOY CALKIN  
Staff Services Analyst

TERRI A. CIAU  
Executive Director

JOE DHILLON  
Chief Counsel, Legal Division

Public Speakers:

James Allen  
Richard Mundy  
Aaron Wong  
Joy Harn  
Alan Titus  
Mark Kelegian

1 BE IT REMEMBERED, that on JANUARY 6, 2009, commencing  
2 at the hour of 10:00 A.M., at the California Gambling  
3 Control Commission, 2399 Gateway Oaks Drive, Suite 100,  
4 Sacramento, California, before me, DESIREE C. TAWNEY,  
5 Certified Shorthand Reporter in and for the county of  
6 Placer, state of California, the following proceedings took  
7 place:

8  
9 (The following proceedings were held on the record.)

10  
11 CHAIRMAN SHELTON: I believe it is time. I'll call  
12 the meeting to order and ask everybody to stand for the  
13 pledge.

14 (Pledge of Allegiance.)

15 CHAIRMAN SHELTON: Roll call, please.

16 JOY CALKIN: Chairman Shelton?

17 CHAIRMAN SHELTON: Here.

18 JOY CALKIN: Commissioner Shimazu?

19 COMMISSIONER SHIMAZU: Here.

20 JOY CALKIN: Commissioner Vuksich?

21 COMMISSIONER VUKSICH: Here.

22 JOY CALKIN: Thank you.

23 CHAIRMAN SHELTON: Mr. Allen?

24 JAMES ALLEN: Good morning, Mr. Chairman,  
25 Commissioners. For the record, my name is James Allen,

1 A-l-l-e-n, and I am the manager of the Regulatory Actions  
2 Unit in the Commission's Licensing Division.

3 Agenda Item 3 is the Final Adoption of Regulations  
4 Concerning Minimum Internal Control Standards For Emergency  
5 Preparedness Security Surveillance.

6 The proposed regulatory action will amend Section  
7 12370 and adopt sections 12372, 12395 and 12396 in Title IV  
8 of Division 18 of the California Code of Regulations.

9 Regulatory action is described in the Notice of  
10 Proposed Action duly published in the California Regulatory  
11 Notice Register on June 26, 2009 and distributed to the  
12 Commission's regulations mailing list.

13 The Commission has maintained a rulemaking file for  
14 the proposed regulatory action. A copy of the current file  
15 is contained in a binder at the back table and is available  
16 for public inspection here today and following this hearing  
17 at the Commission's Sacramento office.

18 The rulemaking file contains all of the comments  
19 received, both written and oral, during the various phases  
20 of the rulemaking process. The public comment period  
21 portion of the rulemaking process has been concluded.

22 This regulation has gone through extensive public  
23 review and opportunity for comment, as we will be  
24 discussing in greater detail in a moment.

25 While the APA requires any public comments received

1 today to be included in the rulemaking file, it does not  
2 require these comments be summarized or responded to in the  
3 final Statement of Reasons.

4 Staff is recommending the Commission adopt and approve  
5 for filing with OAL the final text of the proposed  
6 regulations as presented here today and to authorize staff  
7 to make any necessary non-substantive changes that may be  
8 required by OAL during their review process.

9 I'm now going to turn this matter over to Rich Mundy,  
10 who will provide additional detail about the comment  
11 periods.

12 RICHARD MUNDY: Good morning, Mr. Chairman and  
13 Commissioners.

14 My name is Richard Mundy, spelled M-u-n-d-y. I'm a  
15 research program specialist. I work in the Commission's  
16 Regulatory Actions Unit under Jim Allen.

17 The initial draft proposal for these regulations was  
18 originally circulated to interested parties and  
19 corporations for informal public comment session on April  
20 10, 2008.

21 All comments were recorded and considered in the  
22 further development and refinement to the draft  
23 regulations.

24 On October 3rd, 2008, a modified draft proposal was  
25 again circulated to interested parties for a second

1 informal comment period that ended October 17, 2008.

2 Further revisions were made to accommodate many of the  
3 comments and suggestions received.

4 At its meeting on April 22nd, 2009, the Commission  
5 decided more changes would be made and another revised  
6 draft text was distributed to interested parties on May 12,  
7 2009.

8 At its meeting on May 20, 2009, the Commission  
9 received additional comments and recommendations and, after  
10 further changes, authorized staff to initiate the formal  
11 rulemaking process for these proposed regulations.

12 The formal 45-day public comment period was initiated  
13 June 26, 2009 and accepted August 11, 2009.

14 The formal hearing for those regulations was also held  
15 August 11, 2009.

16 At that hearing the Commission considered oral  
17 comments as well as those written comments received during  
18 the 45-day public comment period.

19 At the hearing the Commission decided to make  
20 additional changes to the proposed regulations. As a  
21 result, the 15-day change was distributed to the interested  
22 parties on November 23rd, 2009, with comments due by  
23 December 8, 2009.

24 The final text of the proposed regulations dated  
25 December 22nd, 2009, is now before the Commission for

1 consideration and final adoption.

2 Copies of this document have been posted on the  
3 Commission's website and are available at the back table  
4 for public viewing.

5 A great deal of effort has been made to include  
6 affected parties in the development of this proposed action  
7 and careful consideration has been given to their views and  
8 suggestions.

9 A summary of the comments received during the entire  
10 formal rulemaking process along with the responses to those  
11 comments has been previously provided to the Commission in  
12 a document entitled, "Comments And Responses For Proposed  
13 Regulations" dated December 22, 2009. Copies of this  
14 document have been provided in the Commission's website and  
15 are also available at the back table.

16 Starting at Page 15, the document summarizes comments  
17 received during the recent 15-day change and provides  
18 staff's recommended responses.

19 Since the Commission members and the public had the  
20 opportunity to review the comments and responses prior to  
21 today's hearing, is it the Commission's desire to go  
22 directly to the receipt of any oral comments of those  
23 attending today's hearing?

24 CHAIRMAN SHELTON: I believe we will, unless the  
25 Commissioners have any statements they'd like to make.

1 COMMISSIONER SHIMAZU: No.

2 CHAIRMAN SHELTON: Then open it up for oral comments.  
3 Public comments?

4 JOY HARN: Good morning, Mr. Chairman, Commissioners  
5 and staff. Happy New Year. Joy Harn for the Bicycle  
6 Casino.

7 I was not sure, quite frankly, if we -- you intended  
8 on marching through the sections and --

9 CHAIRMAN SHELTON: No.

10 JOY HARN: I have two issues I'd like to address, if I  
11 may. These are issues, as Mr. Allen pointed out, that have  
12 been before the Commission before and I know have been  
13 considered. I would appreciate it if you'd take one more  
14 look at both of them.

15 One, I believe, has some possibly confusing language  
16 and one is problematic for other reasons.

17 The first issue that concerns me is Section  
18 12396(b)(2), that requires surveillance cameras on each  
19 table.

20 The concern we have with this section is the inclusion  
21 of the tournament tables in that language. It was spelled  
22 out in a written comment submitted earlier but I think it  
23 warrants discussion again because of the implications.

24 The Bicycle Casino will run tournaments that will  
25 operate in excess of 200 tables or 100 tables at a

1 time. Our tournament room is substantial.

2 To require an overhead camera for every tournament  
3 table, some of which could be removed or that the  
4 tournament action at that table could be done after the  
5 first 20 minute round is onerous and, I think, is so costly  
6 it does not achieve the intended purpose.

7 The way tournaments are structured and they run is you  
8 can't stop a tournament to do a tape review. You have to  
9 keep moving. If you were to stop one table to do a tape  
10 review of the hand, you would -- in fairness to all of the  
11 other players -- have to stop every table. The entire  
12 tournament structure would have to come to a screeching  
13 halt to review.

14 It is standard in the tournament world and it is  
15 something that can certainly be posted and when an entry is  
16 done and the players can agree to that, the decision of the  
17 floor man at the table will be the final decision.

18 The overwhelming majority of times if there is  
19 cheating, if there is a misdeal or indiscretion that  
20 requires review, it is caught by an alert dealer and even  
21 more alert players.

22 As staff has noted, the play on every table will  
23 determine whether or not the player is going to continue on  
24 and have an opportunity to play in the money table or have  
25 an opportunity to win the prizes offered. There is nobody

1 more vested or with a more vested interest of making sure  
2 that nothing improper happens at those tables than the  
3 players themselves. When or if that should happen, a floor  
4 person is immediately called over. A decision is made  
5 immediately -- without reviewing cameras -- by talking to  
6 the players and the dealer on the floor on the table to  
7 determine the proper course of action.

8 Tournament cameras will serve no purpose for  
9 ensuring -- I want to take that back. Not "no" purpose.  
10 They will serve very little purpose for handling a  
11 situation during the tournament event. You cannot. It  
12 wouldn't work that way. The entire tournament structure  
13 would have to be revamped. I don't know if it would be  
14 able to move forward.

15 With that said, we do believe when you get to a money  
16 position, if you will, some tournaments will play the top  
17 10 players or top 20. When you do get to a position where  
18 you're in the money -- top 10 or top 20 -- and you will win  
19 regardless of the outcome of your hand, we do agree with  
20 the fact that camera coverage should be provided for those  
21 tables.

22 I would ask the Commission to re-evaluate some of the  
23 changes that have been made and remove tournament tables  
24 unless cash or prizes are going to be won on that hand. We  
25 can work on the language. But to require a camera --

1 overhead camera for every tournament table, I don't believe  
2 is efficient, not effective and I don't believe it's going  
3 to achieve the intended purpose of the regulation.

4 The second section, if I may, that I wanted to bring  
5 to your attention and I'm hopeful this may be a point of  
6 clarification, is Section 12396, the very last section,  
7 (b)(7), which requires the pan and tilt camera to scan the  
8 faces of the players -- all of the people, the players,  
9 dealers, etcetera on the gaming floor.

10 Our concern originally was with regard to the language  
11 that required us to scan for identification.

12 And after conversation and public comment, the  
13 Commissioners saw fit to remove scanning every hour and  
14 that it was not possible. We still have the issue of  
15 scanning for identification.

16 In the staff's response to the public comment -- and  
17 let me digress for a moment. I really appreciate having  
18 the opportunity to see those well in advance of the  
19 meeting. It is very beneficial, certainly for me and I  
20 think the other speakers, to have some access to that  
21 rationale.

22 The concern with that is if we scan we will make a  
23 reasonable attempt -- I don't think we have a problem with  
24 that request -- a reasonable attempt to scan everybody on  
25 the gaming floor.

1 My concern is with the inclusion of the words "for  
2 identification." The staff response at Page 24, Item 14,  
3 states this section requires a reasonable attempt be made  
4 to pan the faces of patrons and dealers once per work  
5 shift. If that were, in fact, the language of the section,  
6 I would not be standing here. The language includes the  
7 words "for identification."

8 The staff's response also correctly points out with  
9 the cameras pointed at the entrances and exits to all of  
10 the public entrances and exits and employee doors we do  
11 capture a facial image sufficient for identification on  
12 those cameras. To include the words "for identification"  
13 during the scan every work shift as reasonable, I don't --  
14 we're not going to be able to achieve that. We're not  
15 going to be able to, as we've discussed in earlier  
16 comments, manipulate the camera to zoom in to get an  
17 identifiable picture.

18 For point of clarification, I would request the words  
19 "for identification" be removed from that section and just  
20 read "that a reasonable attempt be made to scan the faces  
21 once per work shift."

22 Unless there is any questions, those cover my issues.

23 CHAIRMAN SHELTON: See if there is any rebuttal.

24 JOY HARN: Thank you.

25 AARON WONG: Commission Chair, Commissioners, Aaron

1 Wong from DOJ, Gambling control.

2 The response to Ms. Harn's concern about surveillance  
3 system cameras being able to capture the outcome of each  
4 game at the gaming table, which includes -- currently  
5 includes tournament tables, I think the Bureau stands  
6 strongly behind that because, first of all, we don't have a  
7 definition of what a tournament table is or is not, whether  
8 it involves just tournament chips or actually live, you  
9 know, gaming chips being used for the tournament.

10 I think she kind of mentioned at the end that, you  
11 know, we might need to look at that and address that; but I  
12 think the Bureau is concerned about, you know, cheating,  
13 collusion, any kind of dispute that could still potentially  
14 arise from tournament games where if you have no footage of  
15 what happened, there is no way going back to try and  
16 recreate the incident and try to figure out how to resolve  
17 the issues.

18 My ten years experience being at the Bureau I know  
19 I've definitely gotten at least a dozen of calls from  
20 people calling -- possibly sore losers for the most part  
21 but they do, in fact, call -- saying, "Hey, I was over here  
22 playing a tournament and I think it was rigged. I think it  
23 was fixed. I think, you know, the floor person made a  
24 wrong decision and that's why I got bounced out early;  
25 otherwise, I would have ended up at the final table." We do

1 get these complaints.

2 Without such evidence that we would need to try and  
3 resolve some of these things or investigate some of these  
4 things, it is almost impossible to do.

5 And the other concerns that Joy brought up was -- has  
6 to do with the PTZ requirement of at least make an attempt  
7 to -- a reasonable attempt to pan the faces of patrons and  
8 dealers. Boy, this is an attempt. Not so sure how we can  
9 water it down even more.

10 "For identification" I think is just thrown in there  
11 so we can, you know, justify why we're requiring this. I  
12 don't think that -- we're not saying for positive  
13 identification. So I don't understand what the concern is.

14 COMMISSIONER SHIMAZU: I was hoping the term  
15 "reasonable attempt" would hopefully alleviate some of  
16 Ms. Harn's concerns. We're not saying you have to identify  
17 but you just try to pan. I'm not sure if that is still an  
18 issue.

19 With respect to the tournament tables I know we've  
20 talked about it a little last time. I understand Ms. Harn  
21 that at the time whatever happens happens. You cannot go  
22 back and change the course of the tournament.

23 But from talking to the Bureau last time, I thought it  
24 was for investigative purposes and also to look at the  
25 dealer, look at the players, if they have to -- want to see

1 patterns or if there is issues that come up later, that was  
2 a reason for keeping the tournaments. We took the other  
3 instructional tables out so --

4 MARK KELEGIAN: Good morning. Mark Kelegian on behalf  
5 of the Crystal Casino and Oceans 11.

6 CHAIRMAN SHELTON: For some reason, we forgot the  
7 spelling of the last names.

8 MARK KELEGIAN: I will. Sure. It is Brown,  
9 B-r-o -- K-e-l-e-g-i-a-n, Kelegian.

10 CHAIRMAN SHELTON: Comments?

11 MARK KELEGIAN: Just to -- I don't -- I feel like the  
12 mind has kind of been made up on the tournament issue. I  
13 want to bring up a couple of things.

14 The point of the whole -- of all of these regulations  
15 with respect to these matters is to protect the player. I  
16 think the player gets the protection they need by getting  
17 notice when they enter into a tournament that says the  
18 floor person's decision was final and the floor person will  
19 not be relying on surveillance to make a particular  
20 decision.

21 When we look back -- and I was thinking about this  
22 right now. When we look back at all of the rules we have  
23 for all of the games and all of the promotional rules we  
24 have, they will say to a "t" the floor person's decision is  
25 final. That is the same thing we're talking about here in

1 the tournament.

2       There is no requirement in making any decision that  
3 a -- for when a floor person makes a decision that the  
4 floor person has to go to a surveillance tape to make that  
5 decision. And in reality, it is rarely, rarely done that  
6 the floor person will go to surveillance to decide the  
7 outcome, in particular, in poker for any type of hand.

8       So it really -- while of course it has a more useful  
9 tool in live action games, in a tournament structure, it  
10 has very little use.

11       Again, we talk about the issue of the inability to go  
12 back in time and correct the matter. If an -- if a  
13 surveillance were used -- okay -- and you've got to  
14 appreciate that it would take a certain amount of time for  
15 a surveillance to look at the -- find the table, find the  
16 action, find the hand and make a decision. You've got  
17 whatever money shouldn't have been passed to a particular  
18 player, may have already been passed five, six, seven times  
19 to other players by the time the surveillance tape was even  
20 accessed and a decision made.

21       I think the -- really the practical use of a  
22 surveillance tape in a tournament setting does not exist.  
23 It has no probative value or practical use during the  
24 tournament. As far as any benefit it might create later in  
25 time, I just don't think they -- they're there. I don't

1 think they outweigh the cost and expense of having overhead  
2 cameras on every tournament table.

3       There is another factor involved which Ms. Harn didn't  
4 bring up. When a casino puts out a tournament and  
5 advertises and so forth, they have no idea how many players  
6 are going to show up. It's a guess. Oftentimes more  
7 players show up than were anticipated. In those situations  
8 the casino wanting to, you know, give them -- the  
9 customers -- the experience they came for will add more  
10 tables or have to move tables around and so forth, not to  
11 put them in the hallways. They'll be on the gaming floor  
12 but not in particular designated spots. If you have to  
13 have a camera on top of every table you wouldn't be able to  
14 do that. They wouldn't be able to accommodate the  
15 open-entry type nature of tournaments.

16       Mr. Wong also brought up a point about the chips. I  
17 mean, maybe we need to do that here and give the section a  
18 little more thought and distinguish tournament chips from  
19 live chips, from live -- not even sure what the proper term  
20 is -- but live casino chips used for use on the gaming  
21 floor versus tournament-only chips. Only type of  
22 tournaments we are talking about that Ms. Harn is talking  
23 about and I've been talking about are tournament-type  
24 chips.

25       If we can maybe draw a distinction as we have for

1 demonstration tables for tables that are using tournament  
2 chips, I think that is something that would be appropriate  
3 under the circumstances.

4 Couple of other points I had. One was with respect to  
5 Section 12372(c)(1) regarding the creation of a security  
6 and surveillance plan. My -- it is not really a problem or  
7 issue. My concern is: I'm not aware of any jurisdictions  
8 that actually certify anyone's security and surveillance  
9 plans.

10 In Southern California, especially, particularly Los  
11 Angeles County, I'm not aware of any -- I know the Los  
12 Angeles Sheriff's Department does not do it. I'm not aware  
13 of any of the local cities that actually certify a plan.

14 My only concern here is that I think we're setting up  
15 the clubs, setting up a system that will potentially fail  
16 because the mechanism does not exist. So that is something  
17 I think needs to perhaps be given a little more thought.

18 And it's really who is doing the review and whether or  
19 not any type of certification is provided. I know in the  
20 cities that our clubs are in, including the Bicycle Casino,  
21 that those cities don't do that. They're -- you will  
22 submit your surveillance and security plan certainly when  
23 you're initially licensed or at certain intervals of time  
24 but the cities do not come back and the Sheriff's  
25 Department does not come back and say, "We have blessed it

1 now and here is your certificate." That I think is a  
2 practical problem that I think needs to get addressed.

3 The last comment I have is with respect to Section  
4 12396 subpart (d). It concerns Tier IV's having someone  
5 available at all times to access live videotape, live  
6 surveillance tape or it says, "ability to access live video  
7 from surveillance cameras." No issue -- I take no issue  
8 with that.

9 The problem I have is the inclusion of the last four  
10 words which says -- five words which says "and previous  
11 surveillance video recordings."

12 I think it is asking too much for the guy at 3:00  
13 a.m. who has the ability on the floor to access the  
14 videotapes, to access the live feed, to also have the  
15 ability to go back six days, five days, however long we  
16 decide that the records should be kept, to be able to do  
17 that.

18 I think it should be rewritten where as far as  
19 someone having the ability to go to and obtain previous  
20 surveillance video recordings that that be restricted to  
21 during normal business hours. It is more likely to have  
22 someone there who is going to do that who has the ability  
23 to do that. Plus, I think I have a difficult time seeing  
24 the exigent circumstances that would require someone 24  
25 hours a day to be able to find videotape from five, six

1 days ago or any earlier period of time.

2 Live recordings on the spot, absolutely. That is  
3 something that is, you know, frankly a lot easier to teach  
4 a lot more people to do. It is just the going back in  
5 time. I think if we can draw a distinction there, that  
6 would be helpful for the clubs.

7 If anyone has any questions, otherwise, I will sit  
8 down.

9 Thank you for the time.

10 COMMISSIONER SHIMAZU: Just comment on that. I'm  
11 sorry. On the 12372(c)(1) with regard to the -- are you  
12 concerned about the locally issued certificate of  
13 compliance?

14 MARK KELEGIAN: Correct.

15 COMMISSIONER SHIMAZU: It does say "any." If there is  
16 not one, if they don't give it out, it's not something they  
17 would have to submit.

18 MARK KELEGIAN: Okay.

19 COMMISSIONER SHIMAZU: Take into consideration some  
20 may not do it. If they do it, they do it. If you turn it  
21 in, if not, no problem.

22 MARK KELEGIAN: If that is the interpretation, that is  
23 fine from our standpoint.

24 Thank you.

25 CHAIRMAN SHELTON: Anybody else? Mr. Titus, are you

1 coming forward?

2 ALAN TITUS: Good morning, Mr. Chairman. I was  
3 waiting to see if you were going to -- anything comes from  
4 the Bureau.

5 CHAIRMAN SHELTON: I think those were answered quite  
6 well, unless the Commissioners wish --

7 COMMISSIONER VUKSICH: No.

8 COMMISSIONER SHIMAZU: No.

9 ALAN TITUS: Good morning, Commissioners. My name is  
10 Alan Titus, T-i-t-u-s.

11 I'm here representing Artichoke Joe's and I submitted  
12 a letter to the Commission yesterday. Hopefully that has  
13 been received.

14 CHAIRMAN SHELTON: You really don't think I'm going to  
15 read it, do you? I'm serious. You don't think you're  
16 going to send a letter at midnight and for me to come in at  
17 8:00 o'clock in the morning and comment since you had since  
18 April the 10th, 2008 to prepare? Not going to happen.

19 The other Commissioners may wish to address or review  
20 it. I want you to know and anybody else who wants to send  
21 any material here for the hearing the follow morning, I'm  
22 not going to read it.

23 ALAN TITUS: Mr. Chairman, the comments in that are  
24 largely responsive to the comments and responses issued  
25 December 22nd right before the holidays and I was working

1 on it during the holidays.

2 CHAIRMAN SHELTON: You had Mr. Allen to interact with  
3 and get the comments to so staff can look at them, analyze  
4 them and get their comments back so I can read both sides.  
5 You had the opportunity today to come in and do it  
6 verbally. I will listen to you today. But I'm not going  
7 to read your letters that came in the night before.

8 I want to be very honest with you. Don't want to  
9 mislead you or anybody else.

10 ALAN TITUS: Mr. Chairman, I think I worked diligently  
11 to get the comments in. I have worked diligently. I did  
12 not get them in at midnight. I believe they were sent out  
13 yesterday before 3:00 in the afternoon, sometime around  
14 then and --

15 CHAIRMAN SHELTON: I'm paraphrasing.

16 ALAN TITUS: And I -- that is the situation. I do  
17 have some comments and I will summarize some of them now.

18 I had eight issues that were listed in that letter. I  
19 think two issues are fairly simple. One has to do with  
20 Section 12396(a)(3). And this regards the surveillance  
21 equipment. This requires that the recording and monitoring  
22 equipment be in a secure area or room. And I raised the  
23 problem that our monitor -- we monitor on a computer and it  
24 is not in that room; that certain high-level staff are able  
25 to monitor from their computer at their desk. Staff has

1 responded: Well, that complies with the statute.

2 My concern is it -- I think it does comply with the  
3 spirit of the statute but not with the letter of the  
4 statute. I think it's a simple change. I think it would  
5 be fine to change from singular to the plural -- excuse  
6 me -- and I -- it just seems very simple to me.

7 CHAIRMAN SHELTON: Say it again. How do you want to  
8 change it?

9 ALAN TITUS: To change "secure area or room" to  
10 "secure areas or rooms" plural.

11 CHAIRMAN SHELTON: Okay.

12 ALAN TITUS: Not even sure if that is a substantive  
13 change.

14 JAMES ALLEN: That probably isn't a substantive  
15 change. It probably wouldn't require a 15-day change. It  
16 seems grammatical and I think is consistent with the spirit  
17 and intent.

18 CHAIRMAN SHELTON: That is the way I was interpreting  
19 it myself so it's not substantive to me. Do you --

20 COMMISSIONER VUKSICH: No.

21 ALAN TITUS: Okay. The next item I want to bring up  
22 is another fairly simple issue, Section 12396(d), as in  
23 dog. And Mr. Kelegian was just talking about this section.  
24 I have a slightly different issue with it.

25 So there is no issue about having someone on duty at

1 all times who has access to the live video and who can go  
2 back and look at the recorded video of games that just were  
3 played.

4 My concern is whether the intent here is to require  
5 that there be someone on duty at all times who has access  
6 to all video.

7 As you can imagine, there is video of very sensitive  
8 areas of the facility that the shift coordinators would not  
9 have access to; and, in fact, a very, very, very limited  
10 number of people would have access to all of the video.

11 I don't think that this was intended to encompass all.  
12 And in fact, if you look at the section that applies to  
13 Tier V cardrooms and that is subsection (e), it does not  
14 say that the surveillance room staff has to be able to  
15 access all video. In fact, they might not be able to. I  
16 imagine that you have a surveillance room and you would  
17 still limit those people's access.

18 This is more of a clarification. I'm not even sure if  
19 a change is needed but it is a concern of mine if that is  
20 your intent to require the people be able to access all.

21 CHAIRMAN SHELTON: It's my impression everything we do  
22 is under reasonableness. I believe that is how they will  
23 operate in the field under reasonableness.

24 So I don't think this is saying that you have to have  
25 it immediately. Am I over interpreting?

1 JAMES ALLEN: I believe this was intended to address  
2 concerns the Bureau had regarding access to these records  
3 at various times. I don't know. If Aaron or someone has  
4 anything to add.

5 CHAIRMAN SHELTON: When you go in and review the tape,  
6 you want to review a surveillance tape effective at that  
7 time, you know, there is no problem for that. If you want  
8 to go back five days or if I had my way, six months, you  
9 can wait for that to be available for the next day, if  
10 necessary? Is that true? Or would you need it  
11 immediately? Do you want it immediately when you walk in  
12 to access the tapes?

13 AARON WONG: Aaron Wong with the Bureau of Gambling  
14 Control, W-o-n-g.

15 Again, my ten years experience being at the Bureau, we  
16 have never demanded videos in the middle of the night  
17 without giving them the opportunity to have the dayshift  
18 person who knows more about the system to come in and  
19 produce those records and especially when you're talking  
20 about past videos.

21 But could it happen? Potentially, it could. Could  
22 have an incident that just occurred -- it could be within  
23 the last seven days -- that we might want to get our hands  
24 on. I think that will be the exception. I don't think it  
25 would be the norm.

1 CHAIRMAN SHELTON: I just don't have a problem with  
2 it. I don't think they're going to exceed their authority  
3 to come out and insist on something unless they can justify  
4 that.

5 And I think it will be one in a million chance if  
6 something happens when you need to look at the tapes in the  
7 last week for other reasons.

8 This is just because I am a retired cop. I want that  
9 stuff to be available if something happens, a homicide in  
10 the parking lot. And if I want to go back and identify  
11 somebody, I am going to call the Bureau and the local  
12 agency and say, "Let's go ahead and look at the tapes."

13 That is where I'm coming from. I'll leave it up to  
14 the Commissioners where they're coming from.

15 COMMISSIONER VUKSICH: Well, I would think you would  
16 want the broader brush here to operate under in the  
17 Bureau's world. And hopefully this wouldn't have to be  
18 used -- I am hoping a fundamentalist interpretive culture  
19 wouldn't arise out of giving a broader scope in the  
20 regulation.

21 ALAN TITUS: Let me just give you some tactical  
22 information. So in the cage there will be cameras of each  
23 window but there will also be cameras of the back areas of  
24 the cage. The shift coordinators will have access to the  
25 video of the windows where customers are interacting,

1 probably not of the video of the back area of the cage  
2 where the cashiers -- head cashier does whatever that  
3 person does.

4 The shift coordinators won't have any access to video  
5 of the count room or the vault or back areas like that.  
6 They're very sensitive.

7 The emphasis is on the gaming floor; that is -- and  
8 customers. That is what they're going to have access to.  
9 Even there, there could be some cameras that they would not  
10 have access to and they might not even know exist. That is  
11 for security reasons. You don't want one person to know  
12 everything. So that is where my concern is coming from.

13 I understand the Bureau's desire to be able to come in  
14 and look at things. I agree it probably works. I am not  
15 saying you need a change. What I wanted to do is raise the  
16 concern in front of you today because it is possible that  
17 something could come up one day. I want to make sure we're  
18 all understanding the situation.

19 CHAIRMAN SHELTON: Okay.

20 ALAN TITUS: So moving on from the simpler issues to  
21 the larger issues, the next section is 12396(a)(7). It  
22 concerns the period of time for retention of video  
23 recordings.

24 And in my letter regarding the 15-day change I have  
25 addressed this, as I also have done in my recent

1 letter. There is a distinction to be made between overhead  
2 video of the tables and other video. The overhead video of  
3 the tables really is intended to show the play of the  
4 cards. It is not intended to show the players at all. And  
5 so it is overhead. It looks straight down and at best it  
6 captures some heads. A lot of the time it just captures  
7 maybe some hands and fingers and not much else.

8 When there is a dispute regarding a game, it comes up  
9 immediately. And if people have decided they need to look  
10 at the surveillance tape, they look at it immediately. We  
11 have no recollection of ever going back and checking this  
12 kind of tape more than three days after it happens.

13 I have suggested we make a distinction between this  
14 video recording and other video recordings; that we now  
15 have a digital system and memory is a scarce commodity and  
16 we have spent \$450,000. We're looking at spending another  
17 250,000 to upgrade it this year. We still don't think we  
18 will at that point have enough memory to keep what we want  
19 and what you are thinking you want.

20 So we're suggesting not all video is the same. Some  
21 video is very important. We keep it 90 days. We don't  
22 keep any six months, I don't believe. We do keep some 90  
23 days. Currently, we can't do that. Our system simply does  
24 not give us enough of that resource that we can keep what  
25 we need to three days and keep this 90 days or trying to

1 add on to that. This is going to interfere with what we  
2 consider to be the most important video versus the least  
3 important.

4 So I'm asking you to look back at that and prioritize  
5 because it is not just \$1200 extra to add on this kind of  
6 hard disk capacity. It requires not just adding on the  
7 hard disk but adding on essentially servers to have this.  
8 It is a back-up capacity because anything we have we need a  
9 back-up capacity to do this. It is essentially doubling  
10 that memory. There are racks that need to be put on for  
11 the servers. And then there is electrical capacity, which  
12 at some point would get to be an issue again.

13 There is a lot that goes into it. I don't think that  
14 the estimates you got really looked at a practical  
15 situation of what a cardroom is really going to face.

16 I have raised an issue about the notice of this that  
17 when this regulation was propounded back in June of 2009  
18 that it was going to require three days; that back in May  
19 the Bureau had asked for seven days; you had refused that  
20 request and left it at three days.

21 Then all of the sudden at the end of the 45-day  
22 comment period we're not only looking at seven days but  
23 we're looking at 14 days. There is something that seems  
24 very improper about this. I think that if you want to do  
25 this, you should put in the three days or at most the seven

1 days and then come back later for the 14 days. And we can  
2 then discuss about the different types of cameras and all  
3 of that.

4 CHAIRMAN SHELTON: Kind of biting my lip because I  
5 haven't really said anything except that if I had my way it  
6 would be six months.

7 I think that is -- the Chair has been pretty strong in  
8 that endeavor. I've come around now to seven and we go to  
9 fourteen days.

10 So I don't think we want to quibble about three days  
11 and seven days and fourteen days. I -- I don't think you  
12 want to go there because I am going to be stronger to go  
13 for more. And you -- your argument that it is all right  
14 for the business to make adjustments to get what they want  
15 but what the State is asking for, we should adjust to  
16 please you and what the business wants to tape. For some  
17 reason, it rubs me wrong. I don't know why. It just does.

18 I think that is very one-sided and the State has not  
19 asked for that much. We've been very considerate, from my  
20 viewpoint. I'm sure somebody else would disagree with me.

21 But this has been going on for two years, going back  
22 and forth. I don't think anything has been a hidden  
23 agenda. I hate to think that. If it is, I apologize. I  
24 don't see it.

25 COMMISSIONER SHIMAZU: I agree. We looked at it. It

1 did not seem like very long to me, the seven or fourteen  
2 days. When the industry came back and said, look, this is  
3 how much it's going to cost, you start multiplying by the  
4 number of cameras, number of tapes. I understood that it,  
5 you know, can't be this huge burden. But I think it's  
6 pretty reasonable. We stretched out the time to enable the  
7 businesses to, you know, gradually increase to what we're  
8 asking for. So --

9 CHAIRMAN SHELTON: I know it's difficult. Something  
10 new. It's difficult for everybody to get their arms  
11 around. Personally, I think it is really reasonable.

12 COMMISSIONER VUKSICH: I do, too. Personally, if I  
13 were sitting in the Bureau, I don't know what the value of  
14 having you keep something for three days is when it takes  
15 longer than that to get everything up and running and  
16 figuring out that there is a problem.

17 You know, it is very difficult to try and balance the  
18 needs of the business and to keep your ability to get a  
19 cost benefit -- out of whatever you do -- whatever it is  
20 you do -- coming and also to complete the State's mission  
21 in being able to protect the public.

22 And the Bureau needs tools through the regulatory  
23 system to be able to do their jobs. That is what we're  
24 trying to achieve here.

25 It is a long two-year process but I think there has

1 been a lot of give and take here. I think we're trying to  
2 get to that balance place. We won't know if it is balanced  
3 or when it's a balance until these actually get out in the  
4 field and we start working them in the system.

5 So those are my thoughts for today.

6 ALAN TITUS: Okay. Move on to the next issue. The  
7 next issue is 12396(a)(8). It involves warrantless seizure  
8 of video.

9 And I've spoken to you many times about my concerns  
10 about this and these are the concerns about the privacy of  
11 our customers. And language has been added to this section  
12 to try to address those concerns. I understand that. But  
13 I don't believe that that language really does anything to  
14 add any protection. I certainly don't think that it  
15 overcomes the Constitutional defects here.

16 I also want to note I have put in a lot of legal  
17 analysis. I submitted a lot of legal analysis. And while  
18 I understand that you're not going to release your  
19 confidential legal analyses that have been given to you,  
20 there is really very little that has come back at me that I  
21 can then have a conversation with. I've offered to have a  
22 conversation with legal counsel on the side and that has  
23 not been taken up either. I am really left in a quandary  
24 here. I think there is a problem. I'll just tell you, I  
25 still think there is a problem there.

1 Moving on to the next issue, it is 12396(b)(3). And  
2 this is concerning audio recording in the vault. And we  
3 have a privacy concern about that. It is the privacy of  
4 the employee that works there. We also have a question  
5 about the purpose of this.

6 In the comments and responses staff has indicated that  
7 this is needed because there has been collusion in the  
8 vault in the past between employees that work there. There  
9 is an issue of theft. And my guess is that where that has  
10 been an issue they run their vault much differently than  
11 Artichoke Joe's does.

12 Artichoke Joe's -- all of the monies going into the  
13 vault have been counted before they ever go into it. This  
14 is not -- there is no counting function. The staff's  
15 response says there is a counting function in the vault  
16 because we have a cash machine. The cash machine bundles  
17 the cash and it is not really counting the cash in the same  
18 sense a count room counts.

19 The count room is making a determination for the first  
20 time of what is there. That is not happening in our vault.  
21 It probably does happen in some vaults but there is a  
22 difference. And if your -- the money going in is known.  
23 The money going out is known. It has to balance. You  
24 don't -- we don't have that concern.

25 I am concerned that if you have live audio recording

1 going on then in the vault, we're going to have to let the  
2 vault cashiers going in and out a few times a day. They're  
3 going to get private calls. We can't expect them to have  
4 private conversations that the Bureau can come in and  
5 listen to at any moment.

6 So then that is a security concern having that person  
7 going in and out of the vault many times during the day is  
8 not really what we want. We much prefer to limit those  
9 entrances and exits.

10 My last concern is 123 -- actually, 12396(c). And  
11 this -- I'm sorry -- 96(e). And this concerns the  
12 recording of faces for identification. And you've already  
13 heard from Joy Harn about this.

14 We share the concern of that of video of the faces for  
15 identification. Again, we think that there is privacy  
16 concerns and the idea that this would be used to identify  
17 people is a clear invasion of privacy.

18 Just to mention in my letter and in my 15-day letter I  
19 was -- I'm very concerned also about the incident reports.  
20 That has been detailed in prior letters as well as the  
21 current one. I'll leave it at that.

22 Thank you for your time.

23 CHAIRMAN SHELTON: Thank you. Commissioners? Any  
24 questions?

25 COMMISSIONER SHIMAZU: No.

1 CHAIRMAN SHELTON: Any further public input?

2 MARK KELEGIAN: Again, Mark Kelegian with respect to  
3 Mr. Wong's comments on the 12396(d) going back to the  
4 previous audio recording -- previous surveillance  
5 recordings.

6 I can definitely appreciate that the instance where  
7 they might come in at 2:00 o'clock in the morning and say,  
8 I need something from five days ago, is very rare. It  
9 would not happen that often.

10 My problem though, my concern is if they have to have  
11 the ability to do that at 2:00 in the morning or 3:00 in  
12 the morning, you're talking about potentially one to -- no  
13 less than one or two additional surveillance shifts of  
14 people who are trained or have the ability to do that,  
15 which would cost the club seven days a week over a hundred  
16 thousand dollars. These are Tier IV clubs. It is a  
17 significant expense. It is something I just thought of. I  
18 apologize. I would have raised it earlier.

19 Perhaps a compromise because of the rarity in which it  
20 might occur would be to have someone available by phone --  
21 by telephone for previous video recordings during  
22 non-business hours, non-normal business hours.

23 If we can perhaps give that little twist to it, we can  
24 save the Tier IV clubs over a hundred thousand dollars in  
25 extra surveillance staffing for that rare occasion that

1 they might -- you know, I understand the need to have the  
2 ability to do that but for that rare occasion I think it's  
3 perhaps a good compromise.

4 Thank you.

5 COMMISSIONER SHIMAZU: You've lost me. Why would you  
6 need additional surveillance staff? Couldn't just the  
7 owner or if you designate one key employee per shift who  
8 has access to all of the tapes, the current and the live  
9 and the previous?

10 MARK KELEGIAN: Because the amount of -- well, take my  
11 fee, for example. You wouldn't want me doing it. What it  
12 would take to train me, I can barely use my iphone.

13 I think the level of ability for someone to come in  
14 and say, I need something from five days ago, table this,  
15 this that and so forth, I think it really would require a  
16 trained surveillance operator to come in and pull prior  
17 tapes. I see that in our place where we have -- at our  
18 casinos. We have a lot of people who have the ability to  
19 access the live tapes. When we need something prior in  
20 time, it is always the surveillance operators, the  
21 technicians who do that.

22 There is even storage issues, labeling issues. If  
23 you're not the guy or the woman running the surveillance  
24 department, you don't want your key employees, floor person  
25 or whomever trying to go down in the surveillance room to

1 figure out where that tape was.

2 What will happen, as a practical matter, if the Bureau  
3 were to come in at 2:00 in the morning and say, I want  
4 something from four days ago, the key employee or the owner  
5 is going to call the surveillance guy and say, "Get down  
6 here. They need something particular from this point in  
7 time. You need to track it down and provide it to them."

8 Because of the rarity of that and because of the  
9 technical difficulties, I think, in training your owners  
10 and your key employees to do that kind of task, plus the  
11 practical nature of the operation that is being run by the  
12 surveillance department, I think it would be appropriate  
13 because of the rarity to have someone available by  
14 telephone to come down and do it.

15 If you ask me to do it, quite frankly, I'd probably  
16 stall you until I got the guy down there to do it. That is  
17 just kind of being blunt about that.

18 COMMISSIONER SHIMAZU: I'm not tech savvy either. I  
19 know when we've visited places, we've had owners or whoever  
20 is on duty and they would just show us -- go to the  
21 computer, pull it up from previous.

22 I guess in my head I'm thinking it is not that big of  
23 a deal. Because everyone we've asked it seems like they  
24 have the ability to punch up the -- what do you want to  
25 see?

1 MARK KELEGIAN: Were those digital?

2 COMMISSIONER SHIMAZU: Yeah.

3 MARK KELEGIAN: I think there is a distinction of  
4 trying to do it digitally and trying to do it with video  
5 recording systems, which from my -- most of the Tier IV's  
6 and Tier V's and so forth are still on and will be on for a  
7 long time still. I am --

8 COMMISSIONER SHIMAZU: Would that be then going and  
9 pulling the tapes from previous just knowing where to pull  
10 the videotapes and providing it to the Bureau then?

11 MARK KELEGIAN: I think a lot of it is a tracking  
12 down, is a storage and a tracking issue when it comes to  
13 videotapes. You know, what they do down -- you have to  
14 train all of these other people to try to do and to  
15 understand the system that the security and the  
16 surveillance people are employing down there. Frankly,  
17 things change. They may have pulled the tape. There is  
18 composites that have to be pulled together a lot of the  
19 time. There is typically a lot of work that goes into a  
20 non-digital system. There is typically a lot of work that  
21 goes into pulling something from previous days.

22 COMMISSIONER VUKSICH: More of an archival function?

23 MARK KELEGIAN: Yes. Exactly. It is not just hitting  
24 the -- not being short about it. It's not just simply  
25 hitting the rewind button for that particular camera.

1           And I think, again, because of the rare instance where  
2 they might come in during non-business hours and say, I  
3 need something right now from five days ago, you know, I  
4 think having the surveillance person who has the ability to  
5 do that available by telephone will be a tremendous cost  
6 savings to the Tier IV/Tier V casinos and would not, in  
7 fact, not impede -- not in practical terms because that  
8 person will get called anyway -- not impede the  
9 investigation or the urgency or exigency for why the Bureau  
10 is there at that time of night anyway.

11           COMMISSIONER SHIMAZU: This is just me. I would just  
12 assume -- just me -- that during all shifts there would be  
13 at least one person who would have access to that just for  
14 the club's sake that there would be someone there high  
15 enough who would be able to pull that information. It is  
16 just one person per shift.

17           During the daytime there is obviously someone there.  
18 Maybe talking about one or two other shifts to make sure  
19 someone knows where everything is.

20           MARK KELEGIAN: When you add it up, one or two shifts  
21 by seven days, it does -- it will get to be well over a  
22 hundred thousand dollars that you have to have a  
23 surveillance officer come in and do that. And I think  
24 that, you know, anybody's archival system is a fluid  
25 process that's constantly changing.

1 I just think from a practical sense that person is  
2 still getting that phone call to come down and do that.  
3 And just -- sure. You may have some owners and you may  
4 have some key employees who have the ability to do that.  
5 But having every one of them have that ability, I think is  
6 just -- there is a training problem there and there is -- I  
7 think there is a practical problem.

8 I think simply having the person available by  
9 telephone is -- you know, to come down and do that I think  
10 suffices. Even if the person by telephone is simply  
11 walking somebody else through the process, you have that  
12 extra benefit without having the 14 extra shifts a week of  
13 surveillance people at their rate of pay because of the  
14 rarity.

15 COMMISSIONER SHIMAZU: Look at the language right now:  
16 "Establishment owner or key employee being on duty have the  
17 ability to access live video from surveillance cameras and  
18 previous surveillance video recordings."

19 Does that prevent them from contacting someone or  
20 leading them through the process? They still have the  
21 ability to do it, right?

22 RICHARD MUNDY: Rich Mundy from staff. Our  
23 interpretation is that that person has the ability to  
24 access that. If that means maybe calling somebody and  
25 getting them down there right away, I guess that would be

1 the case.

2 COMMISSIONER SHIMAZU: We don't say they know how to  
3 do it or have to have the knowledge but there is going to  
4 be someone there who is going to have the authority to do  
5 it themselves or contact someone and get it done in those  
6 rare instances where the Bureau needs it.

7 MARK KELEGIAN: If that is the interpretation we're  
8 giving to the word "access," then that is -- I would have  
9 absolutely no objection to that.

10 I'm just concerned that at least my interpretation --  
11 perhaps it is wrong -- of reading it just means on the spot  
12 you have to be able to do it yourself. The owner has to be  
13 able to do it himself. The key employee has to be able to  
14 do it himself.

15 If we have this much latitude in the word "access,"  
16 then I think we're fine.

17 JAMES ALLEN: I think it is phrasability to access. I  
18 think that can be interpreted to mean either the ability  
19 personally to access or the ability to call someone who can  
20 access. I think that is a fair interpretation we can make.  
21 I think we can clarify that in the record in the final  
22 Statement of Reasons.

23 COMMISSIONER SHIMAZU: Is that the Bureau's --

24 AARON WONG: Yeah. I think the Bureau would not  
25 object to somebody not having all of the knowledge to

1 retrieve video or to download five days past video and try  
2 to make copies and all that.

3 I don't think the Bureau would object to that person,  
4 whoever is the key employee on duty is, to call somebody in  
5 or call somebody in and walk them through and try to do  
6 something like that if the circumstances arise where we  
7 need it immediately.

8 Otherwise, everything could wait until the morning  
9 when a regular operator is present.

10 However, just speaking to a couple of my colleagues,  
11 we do have -- experienced that there is a definite need for  
12 such video and access and immediate reviewing or maybe even  
13 recording or copying of these videos based on the  
14 seriousness of the crime we're investigating. And there  
15 definitely is a real need for that.

16 Again, you know, I can't say we will never require you  
17 to call somebody in the middle of the night to make those  
18 videos available for us to review or copy but those  
19 circumstances could potentially arise.

20 MARK KELEGIAN: Again, as long as we can call the  
21 right -- martial the troops up to respond to the request, I  
22 think that is more than reasonable and would resolve any  
23 concerns I have.

24 Thank you.

25 CHAIRMAN SHELTON: Anybody else? I guess I've found

1 employment for my ten-year-old granddaughter. She helps me  
2 with this IT stuff. That is who I call when I have  
3 problems at home.

4 MARK KELEGIAN: Is she allowed to work the graveyard  
5 shift?

6 CHAIRMAN SHELTON: No child laws. I think we've come  
7 a long ways with this with what we're talking about today  
8 because it seems to be pretty well put.

9 I am prepared to make a motion if the  
10 Commissioners -- unless the Commissioners have some  
11 comments.

12 COMMISSIONER VUKSICH: No.

13 CHAIRMAN SHELTON: I'll move to -- I'll move to  
14 approve as-is with the changes in the wording from -- to  
15 plural. Mr. Titus asked it to be plural. You said it  
16 didn't take any great change to do that.

17 JAMES ALLEN: Right. I think we can confirm with  
18 legal that that is a non-substantive change.

19 And if so, as part of your motion, we can then include  
20 that change. I believe that was in Section 12396(a)(3).

21 CHAIRMAN SHELTON: Page 12, isn't it?

22 JAMES ALLEN: Yes, Page 12.

23 CHAIRMAN SHELTON: Line 14.

24 JAMES ALLEN: Line 12 -- I think the actual change  
25 would be line 14. It would change --

1 CHAIRMAN SHELTON: Room to rooms.

2 JAMES ALLEN: -- room to rooms. 15, area to  
3 areas.

4 CHAIRMAN SHELTON: Now, having said all of this and  
5 made my motion before I asked for the second, nothing is  
6 perfect and this can be changed.

7 And if the industry thinks the Bureau is playing  
8 Gestapo with them, we'll come back and look at it again.

9 If the industry -- if the Bureau feels we haven't  
10 given them enough legs to do what they need to do, they  
11 need to come back and we'll change that. We've got to get  
12 these regulations out.

13 And having said that, I request a second.

14 COMMISSIONER SHIMAZU: Second.

15 CHAIRMAN SHELTON: Any other statements?

16 COMMISSIONER SHIMAZU: You said exactly what I was  
17 going to say about the whole amendment process. It is not  
18 set in stone. If there is a problem, we can take a look  
19 and fix it.

20 CHAIRMAN SHELTON: Your input is appreciated.

21 Call for the vote.

22 JOY CALKIN: Commissioner Shimazu?

23 COMMISSIONER SHIMAZU: Aye.

24 JOY CALKIN: Commissioner Vuksich?

25 COMMISSIONER VUKSICH: Aye.

1 JOY CALKIN: Chairman Shelton?

2 CHAIRMAN SHELTON: Aye.

3 JOY CALKIN: Motion carried.

4 CHAIRMAN SHELTON: Almost afraid to say it. Public  
5 comment?

6 Hearing none, move to adjourn.

7 COMMISSIONER VUKSICH: Second.

8 CHAIRMAN SHELTON: Call for the vote.

9 JOY CALKIN: Commissioner Shimazu?

10 COMMISSIONER SHIMAZU: Aye.

11 JOY CALKIN: Commissioner Vuksich?

12 COMMISSIONER VUKSICH: Aye.

13 JOY CALKIN: Chairman Shelton?

14 CHAIRMAN SHELTON: Aye.

15 JOY CALKIN: Motion carried.

16 CHAIRMAN SHELTON: Thank you everyone for attending  
17 and participating.

18 (End of proceedings.)

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CERTIFICATE  
OF  
CERTIFIED SHORTHAND REPORTER

The undersigned certified shorthand reporter of the state of California does hereby certify:

That the foregoing deposition was taken before me at the time and place therein set forth, at which time the witness was duly sworn by me;

That the testimony of the witness and all objections made at the time of the deposition were recorded stenographically by me and thereafter transcribed, said transcript being a true copy of my shorthand notes thereof.

In witness whereof, I have subscribed my name this date 1.16.10

Desiree C. Tawney

Desiree C. Tawney

Certificate Number 12414