

California Gambling Control Commission

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**MINUTES OF NOVEMBER 17, 2011
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairperson Stephanie Shimazu 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 Chairperson Stephanie Shimazu and Commissioners Tiffany Conklin, Lauren Hammond and Richard Schuetz present.

3. Application for Approval of A) Purchase Agreement; B) Temporary State Gambling License; and, C) Articles of Incorporation (Pursuant to Business and Professions Code section 19824(c), 19824(f), 19852(a), 19881, Title 4 CCR 12340):

- A. Central Coast Casino - Paso Robles: David Stearns (Seller)
PRCCC, Inc. (Buyer)
- B. Paso Robles Central Coast Casino: PRCCC, Inc
Don Ezzell, President, Secretary,
Treasurer, Shareholder
- C. Paso Robles Central Coast Casino: PRCCC, Inc.

Comments Received From:

Don Ezzell, Paso Robles Central Coast Casino

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the following:

- A. The Purchase Agreement between Mr. David Stearns and PRCCC, Inc. to purchase Central Coast Casino, Paso Robles;

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B. The temporary license application for PRCCC, Inc. and Mr. Don Ezzell, Sole Shareholder, with the following conditions:

1. *Provide proof of the close of escrow within ten (10) days of escrow closing*
2. *Within 60 days of Commission approval, provide a copy of the the following to both the Commission and Bureau:
Fictitious Name Statement;
Business License;
Chips in Use Account;
Chart of Accounts; and
Lease*
3. *The temporary initial license takes effect on the date that the Commission approves the request and expires November 30, 2012. 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.*
4. *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.*
5. *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.*
6. *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.*
7. *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.*
8. *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*

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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.

9. *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.*

C. The Articles of Incorporation for PRCCC, Inc.

Action:

Upon motion of Commissioner Conklin, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved Articles of Incorporation for PRCCC, Inc.

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

- A. Black Sheep Casino: Noel A. Paulson, Jr., Sole Proprietor
Teresa Paulson, Community
Property Interest Holder

Comments Received From:

Noel Paulson, Black Sheep Casino
Marty Horan, Bureau of Gambling Control

Action:

Upon motion of Chairperson Shimazu, seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license through November 30, 2013.

- B. Club San Rafael: Pete's 881 Club, Inc.
Robert Pellolio, President, Shareholder
Linda Pellolio, Secretary, Treasurer, Shareholder

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Comments Received From:

Robert Pellolio, Pete's 881 Club, Inc.

Norm Pierce, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz, seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved to extend the renewal state gambling license through February 29, 2012 with the following conditions.

Continue Existing:

- *The owner-licensee must establish and follow written policies and procedures for loan agreements as it relates to loans from Pete's 881 Club, Inc., to other parties.*
- *All follow-up questions by Commission or Bureau staff deemed outstanding in the Examination of Books and Records, Report of Findings if any, must be responded to in writing to the Commission or Bureau within two weeks of inquiry*

Condition Added:

The owner-licensee shall submit to the Commission written proof that the security surveillance violation noted by the Bureau of Gambling Control in the October 13, 2011, Letter of Warning has been remedied.

Conditions Removed:

- *The owner-licensee must contact the State Controller's Office (SCO) to ascertain if the funds retained in the Chip Liability Account are subject to escheatment under the Code of Procedure, section 1500 et. Seq. and provide the Commission with SCO's written determination within 90 days of this approval.*
- *The owner-licensee shall submit to the Commission and Bureau quarterly financial reports which provides information related to Pete's 881 Club, Inc.'s payroll, general ledger, accounts receivable, and accounts payable. The financial report must be prepared and submitted by a licensed Certified Public Accountant. The first quarterly report will be for the period of January 1, 2010 through March 31, 2010. The quarterly reports shall be due to the Commission and Bureau 45 days following the end of each quarter.*
- *Pete's 881 Club, Inc. shall modify the existing Chart of Accounts to establish a revenue account for tournament administrative fees; and, a tournament liability account. The modified Chart of Accounts shall be submitted to the Commission and Bureau within 90 days of this approval.*

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C. Lucky Lady Card Room: Stanley Penn, Sole Proprietor

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license for the licensure period of December 1, 2011 through November 30, 2013.

D. Palomar Card Club: A General Partnership
Donald Staats, Partner
Susan Staats, Partner

Action:

Upon motion of Commissioner Schuetz seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved to extend the renewal state gambling license through February 29, 2012.

E. The 101 Casino: Cal-Pac Sonoma, LLC
John Park, Member
Richard Shindle, Member

Comments Received From:

Tracy Buck-Walsh
David Tierney, 101 Casino

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Conklin and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal state gambling license through November 30, 2013 with the following condition:

John Park is required to provide all documentation to the Bureau of Gambling Control and Commission which permits an evaluation and determination of the source of funds and financial interest in the establishment and operation of Kings Consulting Group, LLC.

Further, Mr. Park will provide monthly reports to the Commission and Bureau with the documents requested above beginning September 15, 2011.

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

- A. David Del Bonta
- B. Eugene Lopez
- C. Robert Price

Action:

Upon motion of Commissioner Conklin seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved items **5A and 5C** for initial key employee applications.

Comments Received From:

Eugene Lopez

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved to deny the key employee application for Mr. Eugene Lopez.

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

Naseem Salem

Action:

Upon motion of Commissioner Hammond seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved to extend the renewal key employee license through February 29, 2012.

7. Request for Approval to Withdraw Application for Work Permit (Pursuant to Business and Professions Code section 19869):

Ven-A-Mexico: Andre Lucero

Action:

Upon motion of Commissioner Conklin seconded by Chairperson Shimazu and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the request to withdraw **with prejudice**.

8. Applications for Approval of Conversion of Third-Party Providers of Proposition Player Services /Gambling Business Supervisor/Player Registrations to Licenses (Pursuant to Business and Professions Code section 19984 and CCR, Title 4, sections 12218 and 12233):

Certified Network M, Inc.:

Players:	Dang Ma	Paul Ngo	Sophy Sar
	Hong Truong	Dora Vasquez	Nghi Vuong
	Judy Wong	Yi Bing Wu	

Comments Received From:

David Tierney, Certified Network M

Action:

Upon motion of Commissioner Hammond seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the conversion applications for the above-named applicants with the **exception of Paul Ngo**, whose application will be continued.

9. Applications 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):

A. Gaming Partners International USA, Inc.:*

Comments Received From:

Deborah Starret Gurrin, Paralegal w/GPI
Lina Thomas, Bureau of Gambling Control
Aisha Martin-Walton, Bureau of Gambling Control

Action:

Upon motion of Commissioner Schuetz seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal finding of suitability application for the period December 1, 2011 through November 30, 2013.

B. Southwest Surveillance Systems: Scott Bartlett, Chief Executive, Officer,
Treasurer, Corporate Secretary,
Director, Shareholder
David Pettit, Jr., President, Director,
Shareholder

Comments Received From:

Scott Bartlett, Southwest Surveillance Systems

Action:

Upon motion of Commissioner Conklin seconded by Commissioner Schuetz and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the renewal finding of suitability application for the period of December 1, 2011 through November 30, 2013.

CONSENT CALENDAR ITEMS:

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

- A. Empire Sportsmen's Association: Chhan Ran
- B. Kelly's: Linda King
- C. The Deuce Lounge & Casino: Miguel Gamboa
- D. The 101 Casino: Joseph Wheeler
- E. Towers Casino: Marc Christy, Andrew Wold

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

- A. Central Coast Casino (GB): Mark Ullstrom
- B. Empire Sportsmen's Association: Sabah Toma
- C. Lake Bowl Cardroom: Barbara Elliott Donald Helmig Sokheap Main
Sengirlar Tha Zenaida Wijangco
- D. Merced Poker Room: Cha Chang
- E. Napa Valley Casino: Kimly Chhoung Chanthanakhane Xayakorn
- F. Outlaws Card Parlour: Jade Lowy
- G. The 101 Casino: Robin Boyce Zheming Cao

12. 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 Resort and Casino – Barona Band of Mission Indians:
Bradley Hoffman
- B. Blue Lake Casino and Hotel – Blue Lake Rancheria:
Shari Caldwell
- C. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
Veronica Rocha
- D. Morongo Casino Resort & Spa – Morongo Band of Cahuilla Indians of the
Morongo Reservation:
Stephany Nguyen
- E. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa
Rosa Rancheria:
Adam Alkurdi

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

- A. Agua Caliente Casino Resort Spa – Agua Caliente Band of Cahuilla Indians:
- | | | |
|--------------------|-------------------|-------------------|
| Luzcelia Acacio | Minnie Agbayani | Glenda Cabacungan |
| William Caronna | Iris Carruthers | Carla Castaneda |
| Andrea Catapano | Robert Cherry | Alan Coloma |
| Chimera Davis | Maureen Fazio | Mayra Fernandez |
| Yolanda Fonseca | Victor Fortenbach | Damir Gegic |
| Ronald Giunta | Daniel Hartzler | Myla Higby |
| Jon Hill | Paula Hill | Melinda Hodge |
| Fely Ignacio | Vera Lehman | Angela Marsteiner |
| Gary McCool | Sumalee Meyer | Elizabeth Ortega |
| Melissa Ramirez | Jeffrey Rice | Andrea Rosas |
| Pitchesinee Sandau | Timothy Sarazua | Karl Siffleet |
| Lisa Stepp | Deanna Stevens | Steven Tafoya |
| Michael Wohlenberg | Cathie Wright | |
- B. Barona Resort and Casino – Barona Band of Mission Indians:
- | | | |
|------------------|------------------------|---------------|
| Alexander Center | Brian Doerr | Michele Doerr |
| Michael Doonan | Abraham Farhat | Greg Guerrero |
| Eugene Gutierrez | Ryan Holliday | Susan Liptak |
| Karter McMurry | Mary Pinaire | John Sandoval |
| Robert Ward | Maribel-Nayda Zorrilla | |
- C. Fantasy Springs Resort Casino – Cabazon Band of Mission Indians:
- | | | |
|------------------|-------------------------|--------------------|
| Kurtis Bauer | Kimberly Boeckholt | Robert Bruner |
| Carissa Carl | Joseph Cavalieri | Tessa Charles |
| Angelo Cibotti | Angelica Espinoza | Dulce Fernandez |
| David Hsu | Thongbay Khamvilaythong | Kathleen LeVasseur |
| Phillip Minotti | Rungthip Nungkhianjan | Stephen Oskiera |
| Jaime Pajarito | Paul Pilch | Kenneth Reed |
| April Ryan | Lyn Sabac | Randall Smith |
| AxelVanderVelden | | |
- D. Pala Casino Spa Resort – Pala Band of Mission Indians:
- Edward Gonzalez
- E. Pechanga Resort & Casino – Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
- | | | |
|------------------|----------------------|-----------------|
| Maher Bashary | Edwin Chancey | Lea Cozort |
| Eloida Erasmo | Elmer Flores | Venus Francisco |
| Dale Fredrick | Regina Gilbert | Tammy Green |
| Joyce Hernandez | Robert Homeyer | Sharon Hooton |
| Kyong Sook Iwaki | Lindsay Anne Koballa | Metodija Kolev |
| Ghada Lopez | Wilma McFarlin | Deborah Pearce |
| Richard Valverde | Ronny Whitehead | |
- F. Tachi Palace Hotel and Casino – Santa Rosa Indian Community of the Santa Rosa Rancheria:
- MaEstella Grube

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- G. Thunder Valley Casino Resort – United Auburn Indian Community of the Auburn Rancheria:
Andrew Nelson Paulina Phongsaiphonh

Upon motion of Commissioner Schuetz seconded by Commissioner Hammond and unanimously carried in a vote by roll call with Chairperson Shimazu and Commissioners Conklin, Hammond and Schuetz voting yes, the Commission approved the Consent Calendar with the **exception of Jade Lowy, (11F)** whose application will be continued.

CLOSED SESSION:

There was not a closed session.

PUBLIC COMMENT

NONE

ADJOURNMENT

Chairperson Shimazu adjourned the meeting at 11:53 a.m.